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ABSTRACT

This series of nine reports reviews available information on the special needs and concentrated problems of youth employment. (It constitutes the second of a three-volume compendium; other volumes examine causes and dimensions of youth employment problems and analyze program experience--see note.) The effects of discrimination on minority youth unemployment are discussed in the first article. An analysis of the black youth employment problems and related policy suggestions are provided in the next two reports. The issue of young women and work is addressed in a labor market profile. The next two reports discuss the Hispanic perspective on youth unemployment policies as well as data, problems, issues, and needs relevant to public policy on Hispanic youth. An approach to increasing the employability of youthful drug users is described. Problems of urban youth employment and special urban funding needs are examined. Background material on youth employment policy is supplied in the last report. (MN)

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...e Vice President's Task Force on Youth Employment

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a review of youth employment problems, programs & policies:

Volume 2

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
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...ary 1968

SPECIAL NEEDS AND CONCENTRATED PROBLEMS

(Second volume in a 3 volume set)

FORWARD

Youth employment is the most pressing manpower challenge facing the country today. All unemployment is wasteful, but when it is concentrated among youth, as is presently the case, it has particular human, social, and economic consequences. It implies not only a current loss of valuable resources, but also lost returns on human capital investments which will doubtless extend well into the future.

Despite the fact that the Carter Administration has put more people to work since 1976 than in any 3-year period since World War II, including the largest-scale targeted effort for youth in history, the problem of youth unemployment remains severe. A few examples highlight this fact:

- Despite a significant reduction in adult unemployment in recent years, similar gains have not been enjoyed by younger Americans.
- Young people 16 through 24 have accounted for nearly one-half of all unemployed persons in the last five years.
- Although Federal youth programs have significantly increased employment among black teens over the past 2 years, at least 400,000 minority teenagers remain unemployed.
- While the unemployment rate for white teenagers has remained constant at about 13 percent over the past 25 years, the unemployment rate for black teenagers has grown from 17 to 36 percent.

In order to address this challenge of youth unemployment, President Carter directed a full-scale review of Federal youth programs under the leadership of Vice President Walter F. Mondale. The aim was to develop youth policies for the 1980's which would make the best use of scarce resources and institutional capacities in meeting this challenge. A Vice President's Task Force on Youth Employment was created and, working closely with the White House Domestic Policy staff, it conducted a comprehensive review throughout 1979.

The review process, characterized by The New York Times as "the most exhaustive ever," had several dimensions. Fourteen Federal agencies with youth programs participated, submitting a massive array of information on universe of need, program experiences and recommendations.

Groups outside the government were involved through a range of private meetings, seminars, roundtables, but especially through a series of conferences on issues critical to the youth unemployment program - inner-city problems, the work-education connection, the problems of special needs groups, Job Corps, and the role of nonprofit and community-based groups.

Finally, the Vice President's Task Force on Youth Employment commissioned a range of academic experts and practioners to present analyses of key policy issues and program experiences.

This compendium is drawn from the submissions of the 14 Federal agencies, from the background papers utilized in the various conferences, and from the analyses developed by experts and practitioners. It is divided into three segments: First, analyses of the overall magnitude and causes of youth employment problems; second, more detailed investigations of special dimensions such as race,location, and the other barriers to employment experienced by subsegments of youth population and third, assessments of program experiences.

This compendium provides the informational base for the recommendations of the Vice President's Task Force on Youth Employment. The views are, however, those of the authors, who were consciously selected to achieve a balanced range of perspectives and expertise.

The Department of Labor's Office of Youth Programs, which provided the financial support for the Vice President's Task Force, was responsible for editing and overviewing the papers in this compendium. It is important to stress, however, that the policy review effort and the analysis process involved all Federal agencies and a multiplicity of viewpoints. In editing this evidence, care has been taken to retain this breadth of perspective.

As might be expected, the scope of the subject yields a variety of recommendations. There is not always unanimity of opinion. But the entire review process, as well as this compendium of papers, has increased the consensus that youth employment problems are serious, that current programs are useful but can be improved, and most critically that we have the resources, the knowledge, and the will to substantially eliminate youth employment problems in the 1980's.

Thomas Glynn
Director
Vice President's Task Force
on Youth Employment

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OVERVIEW

Almost everyone agrees that there is a serious youth employment problem and that something must be done. Yet, there is equally widespread agreement that we lack understanding of the causes, consequences and cures--knowledge which is necessary for effective action. As one editorial put it, we have spent $40 billion on youth employment and employability development over the last 15 years, yet the problem remains and we do not even know what works and what does not. The Youth Employment and Demonstration Projects Act (YEDPA) of 1977 reflected this ambivalence. It provided significant resources to expand employment and training opportunities for youth. Indeed, it accounted for almost all the employment growth for minority teenagers in the last two years. Yet, this was a "demonstration Act," premised on the notion that we needed to experiment and evaluate further before committing ourselves to permanent policies.

Under YEDPA, a structured battery of social experiments have been implemented to carefully test every possible intervention and approach. New data bases have been generated to learn more about youth problems and a range of research studies have been undertaken to synthesize all possible knowledge from existing information. Because of the timeframes necessary to mount such efforts and analyze the results, significant findings are only now beginning to be produced and the output will continue for years. Hence, many feel that it is still premature to move forward in the development of youth policies for the 1980s.

Without minimizing the importance of further knowledge development in order to fine-tune public policies, one might question this conventional wisdom that we lack the basis for policy formulation. There are more data available on the youth employment issue than almost any other social welfare subject. Thousands of careful experiments have been conducted on all aspects of the problem over the last decade. Evaluations and analyses can fill a fair-sized library. Compared with our understanding of other domestic issues--the problems of older persons, of family status and change, of undocumented workers, of wealth distribution, or countless other subjects--we have quite comprehensive knowledge about youth employment. There was one year in the 1960s, for instance, when the Congressional hearings on the Job Corps were more voluminous than those on the entire defense budget.

It would appear that the problem is not the volume or even quality of information on the subject of youth employment, but rather the failure to translate and synthesize this information for public policy formulation. Rather than a knowledge deficit, there is, if anything, a knowledge and information overload. The greater the inquiry into any social science area, the more complex the subject becomes, the more questions are raised, and the less satisfying the answers because they are always subject to equivocation. Youth employment is also a confoundingly interrelated subject. It does not just concern jobs. It involves education, family status, developmental patterns, and much much more. The problems of youth unemployment are intertwined with economic changes, the welfare problem, illegitimacy, drug abuse, inadequate schools, declining cities and almost every other social pathology. Any discussion tends to quickly lose focus and to be impervious to resolution because there are so many perspectives which can be and have been applied to the same information.

What do we really need to make policy? First, there must be general consensus about the size of the problem and whether, in competition with other issues, it deserves priority. Second, the resource commitments must be determined in light of these needs and current efforts. Third, the underlying approaches must be decided, but not in great detail since there must always be a multiplicity of strategies for the diverse real-life circumstances. Fourth, the target groups must be decided based on needs and, fifth, the delivery approaches must be determined based on program experience. Legislation must establish a framework in which improvements can be made and knowledge translated into action as it is learned. In other words, what is required is not extraordinarly detailed information, but rather consensus from a balanced review of the information which is already available. In the case of youth, the problem in achieving consensus is not that there is too little information but too much to absorb and integrate.

The purpose of the Vice President's Task Force on Youth Employment was to review available information, to take stock of the viewpoints and interests of a broad range of citizens and institutions, and to provide a forum for constructive interchange on the issue. The analytical activities were only one component in this consensus-building effort. Further, the analysis did not seek to plow new ground, but rather to reap the harvest which had already been sowed.

This compendium of papers represents a bountiful harvest. The first set of analyses addresses the causes and dimensions of the youth employment problem. The second set takes a more detailed look at the severe dimensions of the problem and the special needs among youth. The third set reviews the experience of employment and training as well as educational programs.

While the authors approach their subjects from a variety of perspectives, and synthesize a diverse array of other studies, it is significant that certain themes and findings are repeated. There is a good deal of consistency between the papers and their conclusions. For instance, the papers analyzing causes, consequences and dimensions tend to agree on the following:

1. The youth employment problem, as defined by almost any measure, has a gradient of severity such that many youth with statistically identified problems may have limited needs while others have very concentrated needs. Most youth suffer some period of unemployment which in most cases is not consequential. Subdividing by duration of unemployment, race, low income, poverty area residence, sex, childbearing out of wedlock and dropout status, increases the average severity of conditions of those in the defined universe of need, although it also increases the number with real need who are not included. The major variables in need definition are known, and data are available to measure the dimensions, so that need definition is really a matter of assumptions, i.e., how severe the average needs of the defined universe must be to justify action.

2. The analyses suggest that the severity gradient according to most measures is probably increasing. The severe problems are growing worse both relatively and absolutely. Racial disparities are increasing. Youth from poor families are increasingly worse off relative to those from rich families. The proportion of weeks of unemployment accounted for by long-term unemployed youth is rising.

3. The youth problem is not likely to recede without action. Slowing growth of the youth cohort will reduce competition for jobs, but there is apparently increased segmentation by race and the minority segments of the youth population will continue to grow rapidly. Educational attainment gains in the last decade have not improved the situation and are now leveling off. Increased equality for minority adults has not "trickled down" to minority youth. Private sector employment has grown rapidly in the last several years but the expansion of public programs provided most of the jobs for minority teenagers; the recession ahead looms as a depression for disadvantaged youth.

4. There is increasing evidence concerning the long-run implications of teenage joblessness. Those who work as teenagers do better as young adults. Likewise, those with training, education and labor market information, have more stable and remunerative employment as adults. Youth joblessness is related to juvenile delinquency and other pathologies.

5. The problems of young teenagers differ significantly from those of youth in their early twenties. Teen employment needs are completely different from career entry employment needs. Race is another variable. The black and Hispanic employment experience, on the average, is worlds apart from that of white youth.

6. Teenage employment problems are intimately related to schooling. If offered the opportunity, the vast majority of older teenagers will combine education and work. A substantial portion of racial employment differentials is among students rather than dropouts. Work and education coordination is more than a conceptual theme--it is a practical necessity driven by the reality of increased labor force participation among students.

7. Employment becomes an increasingly significant factor over the teen years and a major one by the twenties, but it is a less significant dimension of the life of youth than for adults. Focus on jobs, training and labor market information needs should not minimize the parallel needs for support, positive development opportunities and constructive options. In other words, jobs must be interrelated with the overall developmental process. We know much more about employment status and change than we do about the related dimensions of development.

8. There is increasing consensus that supply explanations for youth employment problems may not be as relevant as demand explanations. Those who would explain away youth unemployment, and particularly minority youth unemployment, by high turnover, volatility, seasonality of employment or lack of values are hard-pressed to support this claim for more than the tail of the severity gradient. Where jobs are available, youth fill them. Many of the alleged supply-side shortfalls such as lack of dependability or awareness of job mores are simply the cumulation of stunted past opportunities. Supply variables affect the rationing of opportunities much more than the level. In the central cities and poverty areas, the problem is not basically the inadequacy of individuals but the shortage of opportunities.

The analyses of the problems of "significant segments" of the youth population provide some major policy findings:

1. There is no simple explanation for the employment problems of minorities. Regression equations find countless explanative variables and yet still leave large portions of the differentials unexplained. The unexplained residual is frequently ascribed to discrimination. For blacks, half of the variable in teenage unemployment is unexplained. This does not mean that if two youths of equal credentials show up for a job, dressed the same way and with the same references, that the black youth has half the chance of being employed. Rather, every aspect of the experience will differ for the black--they will live where there are fewer jobs, their job finding network will be less effective, they are likely to have less experience and fewer references for that experience. Only a small proportion of employers must practice outright discrimination to magnify these differentials.

2. There are important differences between the employment problems of black and Hispanic youth, or more correctly, between blacks and Chicanos (since Puerto Rican youth more closely parallel the problems of blacks). While Hispanics are also the victims of employment discrimination, their problem is much more one of inadequate education and career entry rather than a lack of "aging vat" jobs. In practice, the problems of minorities are so serious that they call for more of everything, but the relative mix should emphasize education to a greater extent for Chicano youth.

3. The employment problems of young females receive inadequate attention. Young women with children are largely ignored by public employment and training programs until their children reach the age of 3. By every measure, female teenagers with or without children face lower probabilities of employment than males. There has been some relative improvement in the last decade, and increased labor force participation. Equity would require a greater emphasis on young women's problems.

4. Youth with employment problems are drawn disproportionally from those with social adjustment problems reflected in drug abuse and crime. The physically and mentally handicapped suffer compound problems. Their employment problems, in turn, complicate other difficulties. The relationships are not straightforward. Jobs do not eliminate crime or drug abuse, but they are certainly one necessary ingredient.

5. Central city and poverty area problems are extremely severe, although they do not "leap out" from available data. It is when multiple and long-term problems are considered, as well as those that are hidden by discouragement or compounded by social pathology, that the needs clearly emerge.

6. Addressing more severe problems costs more money. The methods for allocating scarce resources are a primary focus in the analyses of the problems of subsegments of the youth population and of areas with concentrated needs. A compelling case can be made for meeting each of the special needs, and the difficult choice is to balance this case against the needs of other youth who do not fall in designated categories. It would appear, however, that greater geographic targeting, individual targeting by race, and efforts concentrated on females, young parents, and troubled youth are needed.

The papers analyzing employment and training experiences as well as the success of educational programs are diverse but they share some basic messages:

1. Employment, training and education programs can work and probably are working better than the gainsayers claim. Increased education does pay off in the labor market. Job Corps is cost-effective as a comprehensive development program for those most in need. Employment programs produce useful social products and increased work is correlated with higher future earnings. There is diversity in performance but there are consistent elements in the successful programs.

2. No strategy works for everyone, and perhaps the biggest shortcoming is not in the institutions and what they offer but in not being able to steer individuals to the appropriate institutions and offerings in a reasonable fashion.

3. Many of the shortcomings of the programs are straightforward but ignored in seeking "panaceas." For instance, employment and training programs suffer extraordinarily from instability but we continue to fund them year-to-year. Alternative education approaches clearly make sense for a minority of youth but the resources and flexibility are not provided. We give into the pressure to spread limited resources broadly, and then decry the lack of measurable impacts. Income maintenance goals have been used as an excuse for slack worksite and training standards even though this has questionable value to youth or society. Supportive services and longer duration treatment are needed for youth with the most severe problems, but we tend to judge these efforts by the same standards applied to other programs. We continue to avoid the straightforward steps such as multi-year funding and less reliance on the income maintenance approach which would lead to improved programs.

4. The basic problem is not in identifying what works, but in replicating the positive approaches. We continue to experiment looking for answers when in fact there are many success stories and the issue should be how we can increase their incidence. Improvements are possible in most programs if the effort and resources are available. Again, the shortcomings are usually quite pedestrian and the problem is in motivating individuals and institutions rather than finding the ideal approach. Models are really most effective when they are part of a process of change which has a firm foundation.

5. Institutional cooperation is possible where the incentives are properly structured. Likewise, institutions can benefit from involvement of parents, the private sector, unions and the like as well as cross-fertilization.

The volume and diversity of these papers and their findings suggest the obvious--that youth employment is a complex subject with many dimensions, that there is no simple cause or cure, and that public policy cannot be directed with scientific precision. Yet, there is also uniformity in the conclusions: The cluster of youth employment problems is, indeed, severe. The most serious dimensions and special needs groups are identifiable. The alternative approaches have been explored and there is general consensus about what makes sense as well as improvements which can be made. In other words, there is a reasonably sound conceptual foundation for youth employment policies. Information produced by knowledge development activities under the Youth Employment and Demonstration Projects Act should provide the means to fine-tune approaches, particularly at the local level, and to better meet special needs, but they are unlikely to yield any startling findings which will supplant what is already known. The fine points can be debated forever, but basically we know what needs to be done to address the youth employment problem. It is time to move ahead based on what we know rather than continuously redefining what is unknown or unknowable. There is a problem and we understand generally how to ameliorate it. We must now build the consensus for action. This compendium of papers is an important step in that direction.

Brian Linder
Robert Taggart
Editors

Discrimination
and
Minority Youth Unemployment

Robert B. Hill
National Urban League

OVERVIEW

Analysis of the labor market problems of black youth, and of the experience of government interventions addressed to these problems, produces several important findings:

- Contrary to popular belief, the persistent high unemployment among minority youth is not primarily due to educational and skill deficiencies, since job opportunities are greater for white youth with lower educational attainment. White high school dropouts have lower unemployment rates than black youth with some college education and about the same jobless rates as black college graduates.

- High levels of minority youth unemployment are primarily due to the unavailability of jobs rather than to their unsuitability for those jobs, and the relative lack of jobs to minority youth is mainly due to racial discrimination, periodic recessions and ineffective targeting.

- The federal minimum wage is not a major impediment to employment opportunities for minority youth, since a legal subminimum wage differential already exists for large segments of the youth population today without producing a significant decline in joblessness among minority youth. The Fair Labor Standards Act specifically permits full-time students, apprentices, learners and messengers employed in retail or service establishments or in agriculture to be paid at 85% of the federal minimum wage provided special exemption certificates are obtained.

- Contrary to conventional wisdom, it has been the labor force among white, not black, youth that has experienced the largest growth in recent years. In fact, the labor force participation among minority youth, especially black males, has steadily declined over the past 25 years.

- According to the Labor Department's Continuous Longitudinal Manpower Survey, only half of the blacks were employed one year after terminating their CETA programs, compared to 64% of white enrollees.

- According to the three-year follow-up by the Labor Department's National Longitudinal Survey, black youth consistently had higher unemployment rates, longer periods of unemployment and lower average earnings than white youth with similar or lower abilities, training and backgrounds.

- According to the four-year follow-up of the high school class of 1972 by HEW's National Longitudinal Study black youth were much more likely than white youth with similar or lower abilities and backgrounds to be unemployed or not employed in higher-paying jobs four and a half years after graduating from high school.

The following recommendations are based on these findings:

- "Racial or ethnic disadvantage" should be used as a major criterion for targeting jobs programs to minority youth -- both poor and non-poor -- who cannot find work because of racial or ethnic discrimination.

- "Economic disadvantage" should continue to be a major criterion for targeting job programs to minority and non-minority youth.

- Joblessness in central cities should be increasingly used as the basis for targeting jobs programs rather than the jobless rates for total SMSA's or metropolitan areas.

- In order to reduce persistent joblessness among youth in inner-city areas, governmental jobs programs should be targeted to poverty areas in central cities, suburbs and rural areas as was done during the War on Poverty period of the 1960's.

- Community-based organizations with a proven capability for reaching and serving minority youth should be used as major conduits for targeting jobs programs to the disadvantaged.

- Strong enforcement of equal employment and affirmative action mandates should be given the highest priority in order to more effectively target jobs programs to minority youth.

Introduction

The persistent high level of youth unemployment has increasingly become an issue of vital national importance. Jobless rates among teenagers continue to be about four to five times higher than that of adult workers, while unemployment rates among youth 20-24 years old remain about two to three times as high. During 1978, for example, the jobless rate for teenagers was 16 percent, compared to a jobless rate of about 4 percent for persons 25 years and over.1/

But the problem of unemployment is most severe among minority youth, whose jobless rates are usually two to three times higher than that of white youth. For example, while white teenagers had a jobless rate of 14 percent in 1978, the unemployment rates for Hispanic and black teenagers were 21 percent and 39 percent, respectively.2/

Moreover, while unemployment trends among white youth have been responsive to economic cycles, joblessness among black youth has continued to rise even during periods of economic recovery. Although the number of unemployed white teenagers declined by 16 percent from the peak recession year of 1975 to 1978, for example, the number of unemployed black teenagers soared by 10 percent. Consequently, the jobless gap between minority and white youth today is the widest it has ever been.3/

Legacy of National Concern

Yet, the current concern about chronic joblessness among minority youth is not new. In fact, many manpower reports of the President since the 1960's have graphically underscored the severity of this problem:

> Unemployment is particularly severe among nonwhite youth, whose employment problems are aggravated by discriminatory hiring and promotion practices. In 1963 about three out of every ten nonwhite workers between the ages of 16-19 were unemployed, almost twice as many as for the comparable white group (1964). 4/
>
> No inroads have been made into the extremely serious problem of nonwhite teenage joblessness. While the unemployment rate for white teenagers dropped as the economic climate improved, among nonwhite teenagers the rate in 1967 was actually higher than in 1960. (1968). 5/
>
> High teenage unemployment, particularly among black youth, is one of the country's most critical manpower problems. The impact of unemployment on black youth is one of utmost urgency for the nation... The seriousness of such high proportions of young blacks with job-finding problems can hardly be overstated.

> The level of unemployment among black youth is the highest reached in any year since information of this type was first collected in 1954. (1972)6/
>
> The labor market situation of minority teenagers has eroded dramatically in the past decade, while that of white teenagers has improved in some respects. Whether measured in terms of unemployment rates, participation rates or employment/population ratios -- the gap between the two groups has widened. (1978) 7/

Since there has been overwhelming consensus about the depth and breadth of minority youth unemployment for almost two decades, why hasn't this problem been effectively resolved? Why does it appear to be so intractable?

A number of factors have been offered as explanations for the persistent joblessness among minority youth: lack of education, lack of job skills, lack of work ethic, large labor force growth, the minimum wage, exodus of industry from central cities, employer attitudes and practices -- and racial discrimination. While there is almost universal agreement that these factors have contributed to minority youth unemployment, there is no consensus about the relative impact of each of them and most especially, of racial discrimination.8/

Discriminatory Beliefs and Actions

There are several reasons for the widespread lack of agreement about the extent to which joblessness among minority youth is a result of racial or ethnic discrimination. One is the failure to adequately distinguish three key dimensions of discrimination: beliefs, behavior and consequences. "Discriminatory beliefs" refer to prejudicial attitudes, values or stereotypes that individuals have about members of other racial or ethnic groups. "Discriminatory behavior," for purposes of our analysis, will refer to differential treatment of racial or ethnic groups that is intended and results from prejudicial beliefs. While "discriminatory consequences" will refer to differential treatment of racial or ethnic groups that is unintended and does not result from prejudicial beliefs.9/

Failure to keep these three components of discrimination conceptually distinct has contributed to much of the confusion about the significance of racial or ethnic discrimination today. Some commentators contend that discrimination contributes very little to minority youth unemployment today, since only a small minority of Americans now hold prejudicial beliefs or stereotypes about racial or ethnic minorities. 10/ At the same time, other observers assert that discrimination is still a major contributor to minority youth joblessness because of persistent and widening racial differentials -- regardless of whether or not they were intended. They contend that any actions that have racially different consequences or effects are "discriminatory," whether or not they were intended. 11/

Structural Unemployment

A second reason for the lack of consensus about the relative effect of discrimination on minority youth unemployment is the increasing tendency to equate "structural" unemployment with "non-discriminatory" factors. While there is virtual unanimity that minority youth are probably the most structurally unemployed segment of American society today, the remedies that are most frequently proposed to combat structural unemployment often fail to focus on combatting discrimination. A recent report of the U.S. Joint Economic Committee of Congress illustrates this increasingly popular stance:

> Cyclical unemployment refers to a situation in which workers are laid off or cannot find jobs because of a general economic recession and an overall shortage of jobs. Structural unemployment refers to a situation in which certain groups of workers cannot compete successfully in the labor market because of a deficiency of skills or education, a depressed regional economy or discriminatory hiring practices. Such workers have difficulty finding satisfactory jobs even during periods of high overall employment... (Underlines are ours.)
>
> Eliminating cyclical unemployment requires recovery of the economy. Dealing with structural unemployment requires not only adequate job opportunities, it also means providing workers with remedial education, job training or retraining, psychological assistance, motivation and placement assistance to help them to compete in the job market. 12/

First of all, the Joint Economic Committee should be commended for properly including discriminatory behavior as one of the causes of structural unemployment -- it is increasingly being omitted in many discussions of this issue. However, all of the remedies that it proposes to combat structural unemployment are directed toward removing the deficiencies of individual workers and do not deal with removing external barriers to employment. It failed to mention that if structural unemployment among certain groups of workers is largely due to discriminatory hiring practices, then strong enforcement of affirmative action mandates may be needed more than job-training or remedial education. 13/

A third contributor to the lack of consensus about the relationship of discrimination to minority youth unemployment are questionable methodological techniques used by many researchers to determine the causes of minority unemployment. One of the most common errors in many research investigations is to equate correlation with causation. For example, merely because one finds a positive relationship between level of education and employment status does not necessarily mean that low education causes high unemployment. Similarly, because one finds a strong relationship between race and employment status does not

necessarily mean that race causes unemployment. 14/

In order to draw proper inferences about the causes of minority youth unemployment, for example, one must attempt to take account of (or "control for") the various factors that may contribute to unemployment. Methodologically, this has resulted in "causal" research analyses that range from impressionistic, qualitative case studies to sophisticated multivariate regression and factor analyses. 15/ But a common thread through most of these approaches has been the tacit assumption that racial discrimination only "explains" or "causes" the residual differences that remain after one has "controlled for" key "nonracial" factors (such as education, I.Q., income, place of residence, sex and age, etc.)

Such as assumption is clearly unwarranted when investigators fail to also assess the extent to which many of their so-called "non-racial" factors are themselves racially-determined. For example, many observers contend that the high rates of unemployment among minorities are primarily "explained" or "caused" by their relative lack of education rather than by racial discrimination. But many of these analysts fail to also determine the extent to which lower levels of educational attainment by minorities, in turn, may be caused by discriminatory access to quality educational opportunities.

Thus, researchers must also assess the "interactive" effects of discrimination in their causal analyses of racial differences. Since such assessments are very difficult to conduct even using the most sophisticated quantitative techniques, most analysts tend to uncritically assume that discrimination only explains residual effects after "non-racial" factors have been taken into account. Obviously, if one arbitrarily assumes that such factors as education, income, work orientation, place of residence, etc. are not determined in any way by racial discrimination, then by definition, such analyses will tend to find that discrimination only plays a minor role in contributing to minority unemployment. 16/

However, although there is lack of agreement about the extent to which discrimination contributes to high levels of joblessness among minorities, there is much consensus about the existence and persistence of racial differences in unemployment patterns between minorities and non-minorities. Thus, this has not detered the governmental and non-governmental sectors from attempting to develop job programs to reduce racial differentials in employment patterns. 17/

In fact, during the "War on Poverty" era of the 1960's, there were many employment programs that were targeted to inner-city minorities and youth: Job Corps, Neighborhood Youth Corps (NYC), classroom training, on-the-job training, apprenticeship outreach, etc. 18/ In 1973, the Comprehensive Employment and

Training Act (CETA) was passed in an attempt to have state and local government develop more comprehensive and coordinated job programs. 19/ And, finally, in 1978, amendments were added to CETA in an attempt to further target employment programs to those areas and groups that are most in need. 30/

But what impact have these employment programs had on minority youth unemployment? What have we learned from the past efforts in order to help us in improving and developing current and future programs designed to reduce the high levels of unemployment among minority youth?

Causes of Minority Youth Joblessness

Before examining some of the various "causes" of minority youth unemployment, it is important to underscore the fact that minority youth is not a homogeneous group, but is an amalgam of several historically and culturally distinct ethnic groups. Consequently, all minority youth do not experience the same severity of joblessness. As is true among whites, unemployment varies among minorities by ethnic group, sex, age, education, income, etc. Therefore, we will first describe some employment differentials among minority youth. 21/

Ethnic Group

The first and probably the most important factor to be distinguished is ethnic group membership. For example, black youth tend to consistently have unemployment rates that are one and a half to twice as high as those of Hispanic youth in general. Moreover, the jobless gap between Hispanic and black youth appears to be widening, since Hispanic youth seemed to have recovered more quickly than black youth from the devastating 1974-75 recession. Between 1975-78, unemployment rates for Hispanic 16-19 year olds dropped from 28 to 21 percent, while the jobless rates for black teenagers remained at 39 percent. 22/

But Hispanic youth are also not a homogeneous group. They are also comprised of many historically and culturally distinct groups that have wide variations in their employment patterns. For example, Puerto-Rican teenagers tend to have unemployment rates one and a half times higher than teenagers of Mexican origin. In 1978, Mexican teenagers had a jobless rate of 19 percent, compared to a jobless rate of 29 percent for Puerto-Rican teenage youth.

Likewise, in 1977, Puerto-Rican youth, 16-24 years old, had an unemployment rate of 24 percent, compared to a jobless of 15 percent among Mexican youth. 23/

In general, the unemployment rates among all working-age Mexicans and Puerto-Ricans tend to be higher than those of Cubans. But the jobless rates for Mexican and Cuban youth appear to be somewhat similar. Cuban youth, 16-24 years old had a jobless rate of 17 percent in 1977, only slightly above the 15 percent rate

for Mexican origin youth. In addition, the labor force participation rates for Cuban (52%) and Mexican (52%) teenagers tend to be higher than the labor force participation rates of Puerto-Rican teenagers (37%). 34/

Sex

An important factor that distinguishes employment patterns among youth is that of sex. Among both black and Hispanic youth in general, joblessness tends to be somewhat higher among females than males. In 1977, for example, black females, 16-24 years old had an unemployment rate of 32 percent, compared to a jobless rate of 29 percent among black male youth. Among major Hispanic groups, however, only Mexican female youth had jobless rates (18%) that were higher than male youth (14%).

Among Puerto-Ricans 16-24 years old, males had higher jobless rates (26%) than females (20%). And among Cubans, 16-24 years old, males also had much higher jobless rates (18%) than females (12%) in 1977. 25/

Age

Age clearly is a major determinant of employment opportunities for youth, since child labor laws have a major effect on the hiring policies of many companies. In fact, many employers, do not consider youth under 20 to 21 years old as "ready" for entry-level employment. Consequently, it is not surprising that all teenagers, whether minority or not, consistently have higher jobless rates than young people, 20-24 years old. 26/

Now that we have described some of the key demographic differentials among racial and ethnic minority youth, we will consider some of the most frequently offered explanations of minority youth unemployment.

Education or Discrimination?

Contrary to popular belief, the overwhelming majority of black youth in the labor force are not dropouts, but are high school graduates or college-educated. Seventy percent of all black youth, 16-24, who were in the labor force and not in school in 1976, had either graduated from high school (50%) or gone on to college (20%). 27/

This educational attainment among black youth was not radically different from that of white youth in the labor force. Among whites, 16-24, in the labor force, 80 percent had at least completed high school. Thus, it is important that employment and training programs for minority youth should be targeted to the overwhelming majority that have completed high school or gone on to college as well as to the minority who dropped out of high school.

But what are the educational levels of unemployed black youth and how does their educational attainment affect their employment opportunities?

Once again, it is important to underscore the fact that a clear majority of unemployed black youth have either completed high school (44%) or gone on to college (15%), while only two-fifths are high school dropouts. The educational attainment of unemployed black youth is even closer to that of unemployed white youth. Only a little over three-fifths (64%) of unemployed white youth also had at least a high school diploma.

However, while the educational levels of black and white youth are not radically different, their employment opportunities vary markedly. This becomes especially evident when one compares the employment situation of black youth with that of white youth with equal or lower educational attainment.

With the exception of college graduates, the unemployment rates for black youth who have completed high school (22.8%) are about two and a half times higher than the jobless rates for white youth at the same or lower educational level. For example, the unemployment rate for black youth, with some college education was 27.2 percent in 1976 -- more than three times the 8.2 percent jobless rate for white youth who had gone to college, and two and a half times the 10.8 percent jobless rate for white youth who had gone no further than completing high school.

But, most important of all, was the fact that in 1978, white youth who were high school dropouts had the same unemployment rate as black youth with some college education (16.5%) and a lower rate than black graduates from high school (9%). It would be very difficult to argue that white high school dropouts have better chances of obtaining employment than black youth with some college training because the former are better educated. 28/

It should be quite clear that the high rates of unemployment among black youth today cannot be attributed primarily to their lack of education or job skills -- when employment opportunities are more available to white youth with markedly less educational attainment. At the same time, this does not necessarily mean that racially discriminatory hiring practices are the primary determinant of these differences in employment opportunities between black and white youth. But it does strongly suggest that the unavailability of jobs to black youth is a more important factor than their unavailability for those jobs.

Learning Without Earning

Yet, if further evidence is needed to demonstrate that blacks are disproportionately "learning without earning" and have lower employment opportunities not primarily because of deficient education and skills, it is provided by Dorothy Newman and Associates, in their well-documented recent work, Protest, Politics, and Prosperity: Black Americans and White Institutions, 1940-75:

> ...one especially stubborn and widespread notion has persisted into the seventies and is as ill-founded for the present as it was for the past. This is the firm belief that blacks are more likely to be unemployed because they are not 'qualified' for jobs in the American economy and, in particular, not 'qualified' for those jobs resulting from changing technology...
>
> Today, with black and white Americans receiving about equal years of schooling, credentialism -- fairly applied--would mean similar unemployment rates for white and black high school graduates and a lower unemployment rate for black graduates than for dropouts of either race. But the requirements have never been equally applied: young white dropouts have had consistently lower unemployment rates than young black graduates. Among employed male workers in the same age and education groups, having a high school diploma or better does not give black workers the same occupational status as whites...
>
> What has made a difference in working or not, at high status jobs or not, has not been the possession of a high school diploma: it has been the color of the applicant's skin. It is difficult to review the evidence for every age and educational group since 1940 and come to any other conclusion. 29/

But Newman, et. al., also effectively challenge the most widely-accepted belief that the new jobs being created through technological change involve more complex job skills that require at least a high school diploma:

> The changing nature of jobs have made the distinction between blue-collar and white-collar work increasingly misleading. Machine jobs in industry have become more clerical, while clerical and sales jobs have become more mechanical. Whatever the job sphere, technological advances have generally resulted in the need for less skill rather than more. 30/

Thus, contrary to popular belief, the overwhelming majority of new jobs being created do not require complex, higher skills that minority youth could not easily obtain through on-the-job-training. Moreover, minority youth entering the labor force today are much more highly-educated than their forebears or comparable workers in foreign countries.

It is important to point out, however, that we are not asserting that minority youth could not benefit from additional education and training -- for they clearly do. Youth with college education, for example, regardless of their race, have much greater -- and more lucrative -- employment opportunities than

those with less education. But we are also aware of the fact that thousands of blacks have already gone through years of employment training programs and specialized post-secondary technical schools without obtaining employment commensurate with their new job skills. This is especially the case with regard to hundreds of minority youth who have completed years of apprenticeships in the construction trades and have not secured stable -- or sometimes, any -- employment in their fields of training. As a consequence, increasing numbers of blacks have become disillusioned with training programs that provide only "learning without earnings." 31/ Thus, relevant job training programs are still vitally needed by minority youth. But there must be an equal commitment to insure placement in jobs that are commensurate with their newly-acquired skills.

Impact of Minimum Wage

Another factor that is increasingly cited as a major contributor to persistent high unemployment among young workers in general, and minority youth, in particular, is the establishment of federal minimum wages. According to conventional wisdom, the minimum wage disproportionately denies employment opportunities to young people because employers are less likely to pay the same wages to less skilled, now labor entrants than they would to more highly skilled workers.

But the fact is that employers do not pay similar wages to less skilled and higher skilled employees. Wages are graduated according to skill level, educational credentials and past employment experience. Minimum wages are just that -- minimum. At $2.90 hour, they provide workers with annual incomes below the official poverty level.

Moreover, contrary to popular belief, the proportion of workers not covered by the federal minimum wage has increased -- and not decreased -- in recent years. Although coverage in the Fair Labor Standards Act of 1938 was significantly broadened by the 1966 and 1974 amendments, the proportion of non-supervisory workers not covered has increased. Between September 1970 and September 1976, the proportion of all non-supervisory workers not covered by the federal wages and hours law increased from 22 percent to 24 percent. 32/

Moreover, it is suprising to note that most discussions about the need for a special youth subminimum wage consistently fail to mention the fact that a legal differential already exists for large segments of our youth population.

The Fair Labor Standards Act specifically permits full-time students, apprentices, learners and messengers employed in retail or service establishments or in agriculture to be paid

at 85% of the minimum wage provided special exemption certificates are obtained. In fiscal year, 1976, 1,191 certificates were issued to institutions of higher education authorizing the payment of subminimum wages to 459,000 full-time students and 19,919 certificates were issued to retail or service establishments authorizing the employment of 153,000 full-time students at subminimum pay. And Section 14(d) in the 1974 amendments extended exemptions to most elementary and secondary school students employed by their schools. 33/

Consequently, thousands of young people employed by state and local institutions as well as by private retail and service establishments are being paid subminimum wages in accordance with the Fair Labor Standards Act. Most studies of the impact of the federal minimum wage on employment opportunities have failed to take account of these already-existing exemptions for youth workers. 34/

Until a systematic assessment is made of the effect of existing youth subminimum differentials on enhancing employment opportunities for youth, it is premature to speculate about the impact of an expanded differential. But the fact remains that the issue of a youth differential is moot for large segments of young workers today, who are already legally being paid at subminimum levels.

Contrary to conventional wisdom, an examination of the federal minimum wage strongly suggests that black adult primary earners would have the most to lose from an expanded youth differential. Data from an indepth study of illegally paid subminimum wage workers by the U.S. Labor Department during 1969-70 revealed that while white subminimum wage workers were more likely to be young people and secondary wage earners, black subminimum wage workers were more likely to be adults and primary wage earners. About two-fifths (37%) of white subminimum wage workers in covered establishments were 19 years and under compared to only one-fifth (18%) of the black workers. Or, one-third of white subminimum wage earners were over 39 years old. In addition, 56 percent of black subminimum wage workers were primary earners, compared to 35 percent of white workers. 35/

Thus, an expanded youth differential would more likely displace adult primary earners among blacks and youthful secondary earners among whites. Since such a differential would legalize payment of subminimum wages to a larger group of young people, black adults who are currently being illegally paid subminimum wages would be the group most likely to be displaced by young people, or at a minimum, continue to be paid illegal subminimum wages.

In sum, our analysis strongly casts doubt on the popular belief that employment opportunities would sharply expand for minority youth if subminimum differentials were established, since one already exists for thousands of students, apprentices, messengers, learners, and other less-skilled new labor force entrants. More-

over, if the existing youth differential were expanded, it would most likely result in the displacement of black adult primary earners -- which would certainly not enhance the economic viability of the black community.

Large Labor Force Growth?

Another frequently mentioned explanation for the persistent high levels of unemployment among minority youth is a sharp increase in the size of their labor force.

The fact is that while the minority youth population is indeed increasing at a faster rate than the white youth population, the size of the minority youth employed labor force is growing at a much slower rate. Between 1956 and 1974, for example, the annual rate of growth of employment for white teenagers was 3.9 percent -- slightly higher than their population growth of 3.5 percent. But the reverse was true for black teenagers, whose annual employment growth of only 2.2 percent lagged far behind their 4.5 percent population growth per year. 36/

More significantly, while the labor force participation rates of white male youth have steadily increased since 1954, the rates among black males have steadily declined. For example, while the labor force participation rate among white males, 18-19 years old, rose from 70 to 75 percent between 1954 and 1977, the participation rates among comparable age black males plummeted from 78 to 58 percent. Similarly, among males 20-24 years old, while the labor force participation rates among blacks dropped sharply from 91 to 78 percent between 1954 and 1977, the rates among white youth edged up from 86 to 87 percent.

However, all female youth, whether minority or not, have experienced some increases in their labor force participation rates since 1954. But, once again, these increases have been much greater for white than black youth. For example, while the labor force participation rates among black females 18-19 years old rose from 38 to 44 percent between 1954 and 1977, the participation rates among comparable age white females jumped from 52 to 63 percent. Likewise, while the participation rates among black females 20-24 years old increased from 50 to 59 percent over that 23 year period, the participation rates among white females rose more steeply from 44 to 68 percent. 37/

Thus, white youth, not black youth, experienced the greatest "surge" in their labor force in recent years. Yet despite this phenomenal growth in the white youth labor force, they have experienced declining unemployment levels. 38/

Exodus of Industry

The movement of industries from central cities to suburban areas is also frequently cited as an important determinant of minority youth unemployment. But available data reveal that the unemployment gap between minority and white youth is about as great among those living in the suburbs as among those living in central cities. Among 16-19 year old males, for example, the unemployment rate for blacks (of 51%) living in central cities in 1977 was more than twice that of whites (19%) and Hispanics (23%). But, a similar pattern held among 16-19 year olds living outside central cities -- once again, blacks had an unemployment rate (of 48%) that was more than double that of whites (18%) and Hispanics (21%). 39/

One recent analysis revealed that black teenagers are similarly disadvantaged with respect to employment -- even after controlling for poverty and non-poverty areas in metropolitan and non-metropolitan areas:

> Indeed, if the black teenage population had been relocated to match the proportion of white teenagers in each of the six area types in the second quarter of 1977, the black unemployment rate would have decreased by only 5.4 percentage points, from 40.5 to 35.1 percent. Even if this analysis understates the effects of business and residential location patterns, it appears that geographical factors alone explain only a fraction of the gap between black and white teenage unemployment. 40/

At the same time, employment opportunities do tend to be more favorable for both black and white youth in nonmetropolitan areas than in central cities. More blue-collar jobs are available for both black and white youth in nonmetropolitan areas. But the two-to-one unemployment gap between black and white youth persists in nonmetropolitan areas as well. 41/

Periodic Recessions

One factor that is, surprisingly, not mentioned as often as one would think as a key determinant of minority youth unemployment is that of economic recessions. Since this nation has just slid into the recession of 1979, it is important to underscore the fact that there have been six recessions over the past 26 years (i.e., 1953-54, 1957-58, 1960-61, 1969-71 and 1979 - present), and three of them occurred during the 1970's. Thus, recessions are taking place in this country every three to four years! 42/

However, these recurring recessions have had disproportionate and more lasting effects on blacks than whites. Before blacks had a chance to fully recover from one recession they were subjected to another. Consequently, the persistent high levels of unemployment among black youth may be partly due to the cumulative and unrelenting effects of one quarter century of recessions. 43/

Moreover, the increasing cycles of recessions may be transforming "cyclical" unemployment into structural patterns. This danger was strongly underscored by the U.S. Joint Economic Committee of Congress:

> The persistence of long-term unemployment creates a serious danger that much of what now is considered cyclical unemployment will become "structural" and the difficulties of solving the unemployment problem will increase sharply. 44/

Discrimination

Most of the above "causes" of minority youth joblessness are themselves to varying degrees determined by discrimination. For example, the fact that minority youth disproportionately reside in central cities is in part due to discriminatory housing patterns in suburban areas. Similarly, recessions disproportionately affect minority workers, since the "last hired" are usually the "first fired!" Sharp racial differentials even prevail among subminimum wage workers! While white subminimum wage workers are largely young people who are secondary earners in families, black subminimum wage workers are mostly adults who are primary earners. And, finally, the discriminatory barriers to quality education for minority youth have been conclusively and repeatedly documented. At the same time, although we contend that discrimination has some interactive effects on most "non-racial" causes of minority youth unemployment, we are not able to say how much impact discrimination has on such factors. 45/

The Labor Department's National Longitudinal Surveys (NLS) conducted by Ohio State University followed-up a large sample of male and female youth.

This three-year follow-up revealed that black youth who were between the ages of 16 and 21 in 1968 and who were not enrolled in school in either 1968 or 1971 and were not college graduates , consistently had higher unemployment rates and longer periods of unemployment than white youth. While white male youth had an unemployment rate of 6.0 percent in 1971, black male youth had a jobless rate of 10.7 percent. Similarly, while white female youth had a jobless rate of 10.0 percent in 1971, black female youth had an unemployment rate of 17.9 percent. 46/

Detailed longitudinal evidence documents the pervasiveness of inequality. Moreover, while 21 percent of white male youth experienced some unemployment during 1970, 29 percent of black make youth experienced some joblessness that year. Likewise, 36 percent of black female youth experienced some unemployment during 1970, compared to only 23 percent of white females. In addition, the average earnings of black youth three years later were consistently lower than those of white youth. While white male youth had average hourly earnings of $3.36 in 1971, black female youth had hourly earnings of $2.60 in 1971, black females had hourly earnings of only $2.28. These racial differences in unemployment status and earnings persist even when one compares black and white youth with similar abilities, training and backgrounds. 47/

Further evidence of differential future employment prospects between minority and white youth are provided in HEW's follow-up survey of the National Longitudinal Study of the High School Class of 1972. This study found that black youth were much more likely than white youth to be unemployed or not employed in higher-paying occupations four and a half years after graduating from high school.

While 78 percent of white young men who graduated from high school in 1972 reported that they were working by the fall of 1976 and only 8% of them were unemployed, 73 percent of black young men who graduated from high school in 1972 said that they were employed in the fall of 1976 and 13 percent said they were unemployed. Among Hispanic male youth, 81 percent were employed and 9 percent were jobless in 1976.

Among female youth, however, similar proportions of whites (68%), blacks (66%) and Hispanics (65%) reported that they were working by the fall of 1976. But black young women were much more likely to be unemployed (16%) than either white (8%) or Hispanic (9%) female youth. 48/

In addition, black youth were much less likely than white youth to be employed in higher-paying occupations. One-fifth of white (24%) and Hispanic (23%) male youth were employed in professional and managerial jobs four and a half years after graduating from high school, compared to only 16% of black males. And, while one-fourth (25%) of white female youth were working in professional and managerial jobs, only 14% of Hispanic and black females were similarly employed.

These longitudinal data also reveal sharp differentials between black and white youth in their participation in employment and training programs. According to the HEW National Longitudinal Study of the High School Class of 1972, white youth were more likely than black youth to have participated in on-the-job training and apprenticeship programs than black youth. Between 1973 and 1974, 61% of the white youth participated in on-the-job training programs compared to only 52% of the black youth. Similarly, 6% of white youth participated in apprenticeship programs, compared to 4% of black youth. On the other hand, black youth were much more likely to have participated in classroom institutional training programs (9%) than white youth (1%). 49/

But these racial differentials persist even among black and white high school graduates with similar abilities, courses of study and backgrounds. While 61% of white youth from high status family backgrounds were in on-the-job training or apprenticeship programs between 1973-74, only 48% of black youth from high status family backgrounds were in similar jobs programs. Likewise, 60% of white youth with high academic abilities were in OJT or apprenticeship programs, compared to only 52% of high ability black youth. Moreover, while 72% of white youth who majored in technical or vocational courses in high school were in OJT or apprenticeship programs between 1973-74, only 58% of black youth who majored in technical or vocational courses were in these programs. 50/

The inescapable conclusion is that racial differentials persist between black and white youth with regard to employment opportunities and earnings even when they have similar abilities, training and backgrounds. Differentials also persist between white and Hispanic youth, but not to the same degree as between black and white youth.

There has been some notable progress made by various researchers in attempting to more systematically gauge the magnitude of discrimination on employment opportunities of minority youth. Using the National Longitudinal Survey (or "Parnes Panel") in 1970, Jud and Walker attempted to measure the impact of discrimination on the earnings of lower-status blacks and whites. They used a regression model that derived estimates of expected earnings of blacks -- assuming their education and labor market experience were similar to those of low-status whites. The differences between these expected earnings levels and the actual earnings of blacks was "attributed" to discrimination. The authors obtained the following results:

> Application of this technique suggests that labor market discrimination is very real. Low-status blacks earned an average only $4,575 annually. Had they been able to convert their productivity characteristics into earnings at the same rate as low-status whites, they would have earned $5,734... These results suggest that the elimination of employment discrimination could raise the earnings of low-status blacks by over 25 percent...
>
> The cumulative impact of racial discrimination within the low-status male population was estimated to result in an earnings loss of up to $1,419. In other words, earnings of young black men could be increased by over 31 percent if the unexplained residuals that result largely from the various forms of racial discrimination could be eliminated. 51/

Targeting Jobs To Minority Youth

Before we can properly assess the impact of federal jobs programs on minority youth, it is necessary to first describe the broader historical, economic and political context of these programs.

Origin of Jobs Programs

One of the first major governmental efforts to train people for jobs was the Manpower Development and Training Act (MDTA) of 1962. It was not originally designed to serve the economically or racially disadvantaged, but was intended to retrain adult workers who had been displayed by technological advances. By 1963, however, several amendments to MDTA increased program funding for youth development and training.

But it was the Economic Opportunity Act of 1964, the foundation of the "War on Poverty," that established two major programs especially for young people -- the Neighborhood Youth Corps and the Job Corps. The NYC provided paid work experience in public and private nonprofit agencies for low-income unemployed youth 14-21 years old. At the same time, the Job Corps was designed to provide remedial education, skills training, on-the-job work experiences, counseling and health services to severely disadvantaged youth 16-21 years old in residential centers throughout the country.

In 1968, the Apprenticeship Outreach Program (AOP) was established in order to increase the number of minorities in apprenticeable trades, especially in the building construction industry.

With passage of the Comprehensive Employment and Training Act (CETA) in 1973, only the Job Corps and Apprenticeship Outreach Programs were retained. In addition to youth being served by several components of CETA, several new youth programs, such as the Summer Program for Economically Disadvantaged Youth (SPEDY) and the Youth Employment and Demonstration Projects Act of 1977, were also established. Thus, at this time, the largest number of youth that have ever been served by federal programs are participating. 52/

The impact of these programs on minority youth can best be described by the political and economic climate at the time. Therefore, we will divide this assessment into three phases: (a) The 1960's: Targeting To The Disadvantaged; (b) 1969-1976: Shifting Away from the Disadvantaged and (c) 1977-present: Re-Targeting To The Disadvantaged.

The 1960's: Targeting To The Disadvantaged

During the latter half of the 1960's, many vigorous efforts were made to target jobs programs to the disadvantaged and, especially, youth. In fact, the poverty program was spawned from two community-based programs that were specifically designed for youth -- HARYOU (Harlem Opportunities for Youth) and Mobilization for Youth (MFY). 53/

But minority youth, in particular, received special attention from governmental and non-governmental decision-makers for another reason: they were the principal participants in the civil disorders in the urban centers throughout this period. Thus, there was much concern about preventing "long" and "hot" summers.

The economic climate during this period was also favorable for hiring minorities, since the nation was experiencing economic growth. And finally, the political climate was conducive to favoring minorities, since a liberal Democratic Administration was in power.

But what effect did these efforts have on minority youth unemployment? First of all, minority youth experienced a sharp drop in their jobless rates over this period. Between 1963 and 1969, the jobless rate for black males, 18-19 years old fell from 27 percent to 19 percent, while the jobless rate for black females 18-19 years old dropped from 32 to 26 percent. Similarly, among 20-24 years olds, the unemployment rate for black males dropped from 16 to 8 percent between 1963-1969 while the jobless rate for black females fell from 19 to 12 percent.

At the same time, the number of employed black teenagers increased by 36 percent (from 441,000 to 609,000) -- almost as much as the increase (44 percent) in the number of white teenagers who got jobs between 1963-69. Apparently, this was the last time in recent years, that black youth had such favorable employment patterns. 54/

Minority youth comprised a disproportionate number of the enrollees in the special jobs programs for youth during the latter half of the 1960's. Between 1965 and 1968, the proportion of all youth enrolled in in-school Neighborhood Youth Corps Projects who were black soared from 29 to 42 percent. At the same time, the proportion of all youth in out-of-school NYC programs who were black held steady at 45 percent. Thus, by 1968, blacks comprised almost half of all the NYC participants.

But black youth made up an even larger proportion of those enrolled in the Job Corps. By June 1968, blacks accounted for 59 percent of the 33,000 enrollees. And blacks of all ages comprised 81 percent of the 53,000 enrollees in the Concentrated Employment Program (CEP) targeted toward poverty areas throughout the nation. 55/

It is clear that the major jobs programs during the 1960's positively impacted black youth and along with the favorable economic climate, brought about a significant reduction of minority youth unemployment.

1969-1976: Away From The Disadvantaged

What happened after 1968 to change this favorable political and economic climate for minorities and the disadvantaged? The first change was a shift in political philosophy. The new administration

adopted a policy of "benign neglect" with regard to minorities, manifested by the dismantling of all the major programs of the "War on Poverty" -- OEO, Model Cities, Concentrated Employment Program, etc.

In addition to the erosion of political support for targeted programs, a recession occurred between 1969-71 that further reduced the employment opportunities for minorities. With the enactment of CETA in 1973, almost all of the major categorical programs of the 1960's were transformed into broad, "revenue-sharing" type block grants to states and localities to increase federal aid to areas outside central cities. Although CETA was originally intended to be targeted to the long-term unemployed, the onset of a second recession in 1974-75 resulted in less disadvantaged public employees taking the CETA job slots.

Thus, minorities and the economically disadvantaged were less adequately represented in the CETA jobs programs than they were prior to CETA. These conclusions were also arrived at by a special National Academy of Sciences panel that was set up to evaluate CETA:

> However, a comparison of the characteristics of CETA participants with a composite of enrollees in categorical programs for fiscal 1974 shows a decided shift. Although youth still are in the majority, the proportion who are age 18 and younger is declining (from 45 percent in fiscal 1974 to 31 percent in fiscal 1977), and the number of persons with less than a high school education is also declining. Particularly significant is the decrease in those identified as economically disadvantaged (from 87 percent in 1974 to 78 percent in 1977), despite the looser definition of economically disadvantaged and the fact that the 1974 composite figures used in this comparison exclude the programs with a heavy emphasis on minorities and the disadvantaged operated by the OIC, SER, and the Urban League. 56/

1977-Present: Retargeting To The Disadvantaged

Since the advent of the Carter Administration in 1977, there have been vigorous efforts made to retarget the federal jobs programs back to the disadvantaged. Amendments were attached to CETA in 1977 that will enhance the targeting of jobs to the disadvantaged, especially to minority youth. About half of the youth participating in summer jobs programs are minorities. And, although unemployment among minority youth has not been significantly reduced, the federal government has produced jobs for most minority youth today. As Secretary of Labor Marshall recently noted, "In 1978, the economy created 63,000 new jobs for black youths. The CETA program accounted for 89 percent of those jobs." 57/

Despite the laudable efforts of the Labor Department to re-target governmental employment programs to the disadvantaged, much more effective targeting is needed. As the National Research Council report observed, there is still a shift away from those groups and areas most in need:

> There has been a weakening of the commitment to the disadvantaged in Title I programs. The principal reasons for the change include: the broader eligibility criteria under CETA legislation as compared with pre-CETA requirements, the spread of resources into suburban areas with lower proportions of disadvantaged persons and the inclination of program operators to select applicants most likely to succeed. The proportion of disadvantaged persons in the PSE programs (Title II and VI) has been markedly lower than in the Title I programs to develop employability. However, the ratio of disadvantaged persons in Title VI has begun to increase as a result of the tighter eligibility amendments in the 1976 amendments to Title VI. 58/

Moreover, minorities still tend to be over-represented in training programs and under-represented in employment programs. According to the Continuous Longitudinal Manpower Survey (CLMS) of new CETA enrollees (both adults and youth) during fiscal year 1977 (i.e., October 1976-September 1977), non-Hispanic whites comprised 67 percent of all participants in the on-the-job training programs, while blacks and Hispanics accounted for only 19 percent and 11 percent, respectively, of the OJT enrollees. On the other hand, whites made up about half (48%) of the participants in classroom training programs, while blacks and Hispanics comprised 32 percent and 12 percent, respectively, of these enrollees. In addition, minorities continue to be under-represented in public service employment positions. 59/

However, minorities (especially blacks) have higher representation in the various CETA programs for youth. According to the CLMS data for FY 1977, blacks comprised 45 percent of the new enrollees in all CETA youth programs, while non-Hispanic whites made up 39 percent. But Hispanic youth accounted for 11 percent of all new youth enrollees -- the same degree of participation in CETA programs as Hispanic adults. Moreover, under the Youth Employment and Demonstration Projects Act (YEDPA) of 1977, latest available data shows that minorities comprise 44% of the enrollment in employment components. These teenage minority enrollees comprised 11% of the total employed minority 16-19 year olds in the third quarter of FY '79. 60/

It is difficult to assess the impact of government programs on the future employability of youth, since large numbers of young people do not usually enter the full-time labor force upon completing these programs. They usually return to school or continue their education after finishing these programs. But some clues

about the impact of governmental jobs programs on the employment prospects of minorities are provided by longitudinal studies.

Follow-up of CETA Terminees

According to the CLMS panel of new CETA enrollees (both adult and youth) during July 1975-June 1976, only half (50%) of the blacks and 60% of the Hispanics were employed one year after they had terminated their programs, compared to 64% of the whites. Similarly, only 44% of the blacks and 51% of the Hispanics were employed 90% or more of the time between 10-12 months after leaving CETA, compared to 57% of the whites. In addition, minorities consistently had lower annual earnings than whites one year after leaving CETA. Between 10-12 months after termination, whites had annualized earnings of $5,540, compared to annualized earnings of $4,700 for Hispanics and $4,890 for blacks. 61/ In other words, employment and training programs are an important mechanism for achieving labor market progress, but even with these programs, inequality prevails.

Recommended Targeting Strategies

Discrimination, both intended and unintended, is the most signififant reason for the persistent employment differentials between minority and white youth. Even many of the so-called "non-racial" causes of minority youth joblessness such as lack of education, the minimum wage, labor force growth, exodus of industry from central cities, and periodic recessions significantly affected by racial and ethnic discrimination. 62/ The various kinds of governmental employment and training programs directed toward youth and the disadvantaged since the 1960's have a positive effect. Minority youth would have been worse off had these governmental programs not existed. But large numbers of minority youth remained untouched by these programs which only modestly reduce the differentials in employment patterns between minority and white youth. A major impediment to the progress of minority youth was the sharp weakening of commitment to targeting jobs to minorities and other disadvantaged by the Nixon-Ford Administrations during the first half of the 1970's. 63/ But even with increased priority under the Carter Administration, the impact could be increased.

A major obstacle to effective targeting of jobs to minorities has been the failure to keep conceptually distinct three types of disadvantaged workers: the work disadvantaged, the economically disadvantaged, and the racially disadvantaged. The "work disadvantaged" refers to individuals who are at a disadvantage in the labor market as a result of being: (a) unemployed, (b) long-term unemployed, or (c) discouraged, i.e., those who have given up actively seeking work because they cannot find work. The "economically disadvantaged" refers to individuals who are at a disadvantage in the labor market because: (a) they belong to a low-income family or (b) they work at a job for poverty-level wages. And, the "racially disadvantaged" refers to individuals who are at a disadvantage in the labor market because of: (a) prejudicial attitudes, beliefs or stereotypes about their race or ethnic group, (b) actions that intentionally discriminate

against their race or ethnic group, or (c) actions that unintentionally have discriminatory consequences or effects against their race or ethnic group.

Targeting to the Work Disadvantaged

Many employment policies and programs today are still based on the fallacious assumption that most work disadvantaged individuals are also economically disadvantaged. But this is not so. In fact, usually only about one-fifth (19%) of all unemployed persons are below the official poverty level. Or, four-fifths of the unemployed are not officially poor. And minorities comprise only about one-fourth of all jobless individuals -- blacks (20%) and Hispanic (7%). Thus, jobs programs that are targeted to the unemployed serve a universe that is three-fourths white and four-fifths non-poor. 64/

Such programs fail to effectively reach minorities who are disproportionately unemployed and poor. While 40 percent of unemployed blacks are poor and 29 percent of unemployed Hispanics are poor, only 13 percent of unemployed whites are poor. For this reason, many jobs programs have shifted from focusing on all unemployed to the long-term unemployed. Such a shift does increase the probability of reaching disadvantaged minority workers, since blacks and Hispanics comprise about one-third of all workers who have been unemployed for 15 weeks or more.

Discouraged Workers

But even targeting to the long-term unemployed fails to reach many discouraged minority workers who continually move in and out of the labor force and, consequently, do not remain in the official labor force (i.e., do not actively seek work) for a long enough period of time to be officially defined as a "long-term unemployed" worker. 65/

This failure to reach discouraged workers (i.e., those who want work but have given up actively seeking work) is another defect in many jobs programs. It is especially serious with regard to reaching minority youth who are over-represented among discouraged workers. In fact, the number of discouraged minority youth is often larger than the number of minority youth who are officially defined as unemployed. In 1977, for example, while 367,000 black teenagers were officially unemployed, the number of discouraged black teenagers was 420,000. Consequently, according to the National Urban League's Hidden Unemployment Index, the actual jobless rate for black teenagers in 1977 was 59 percent, instead of 38 percent as defined by the government. At the same time, the hidden jobless rate for white teenagers was 28 percent in 1977, while their official unemployment rate was 15 percent. 66/

Targeting to the Economically Disadvantaged

In order to more effectively reach acutely disadvantaged and discouraged workers, many jobs programs have shifted their emphasis to the economically disadvantaged. Jobs programs that are targeted to the economically disadvantaged do succeed in reaching many more disadvantaged minority workers than those focusing on the total unemployed or long-term unemployed. While minorities are about one-fourth of the total unemployed and one-third of the long-term unemployed, they make up about half (blacks - 41% and Hispanics - 10%) of all unemployed persons who are below the official poverty level. In short, at least half of the participants in jobs programs that are targeted to the economically disadvantaged unemployed should be minority individuals -- if they are indeed to be representative of their proportions in the target population. Although minority adults are still underrepresented in governmental jobs programs, minority youth do appear to be participating in CETA youth programs in close approximation to their representation among the economically disadvantaged unemployed: blacks (45%) and Hispanics (10%). 67/

A problem with this type of targeting is that severely work disadvantaged minority youth may be excluded merely because their family income are above the official poverty level or some other economically disadvantaged standard. The racial disadvantage of minority youth is just as important and sometimes more important a determinant of their joblessness than their economic disadvantage. Racial discrimination is a major determinant of joblessness among minority youth -- whether poor or not. In other words, even if one succeeded in obtaining jobs for all the economically disadvantaged minority youth -- over half of all jobless minority youth would remain unemployed. Thus, joblessness among minority youth will not be significantly reduced until "racial disadvantage" is used as a major criterion for targeting jobs programs to youth.

Targeting to the Racially Disadvantaged

The recommendation that governmental jobs programs for youth specifically incorporate "racial or ethnic disadvantage or handicap" as eligibility criterion in addition to economic and work disadvantage is not new. In fact, racial and ethnic handicap was one of the criteria used for targeting jobs to inner-city minorities during the "War on Poverty" period of the 1960's. At that time, it was conceded that race or ethnic group membership was often as great a handicap in obtaining meaningful employment for minorities as was their economically disadvantaged status. 68/

Unfortunately, as a result of the "benign neglect" policies of the early 1970's, "racial disadvantage" was dropped as a key criterion for targeting jobs programs. Consequently, smaller proportions of minorities were reached by the jobs programs of the first half of the 1970's than by the jobs programs of the second half of the 1960's.

Even today, it is not politically palatable to speak of targeting jobs, funds, or services on the basis of racial or ethnic disadvantage. But no significant reduction in the persistent unemployment among minority youth will take place unless this is done! Racial handicap should not be the sole criterion for targeting jobs to youth. On the contrary, economic disadvantage must remain as the foremost criterion for targeting jobs programs to youth; but "racial disadvantage" should be an additional criterion for eligibility in youth jobs programs -- in order to reduce chronic joblessness among non-poor black and Hispanic youth who cannot find work because of racial or ethnic group discrimination. 69/

Targeting to Central Cities

Currently, most governmental funds for job programs are directed toward "labor market areas" that consistently have unemployment rates of 6 percent or more. But these labor market areas are, for the most part, SMSA's or geographical areas that include central cities and suburbs. Since over half of the population in most SMSA's reside in the suburbs, high unemployment rates in central cities are often offset by very low jobless rates in the suburbs. Moreover, high unemployment among minority youth in central cities is often obscured by low joblessness in the suburbs. In order to more effectively target job programs to areas and groups that need them most, job programs for adults as well as for youth should use central city joblessness rather than total SMSA's jobless rates as the basis for directing government funds and job programs. 70/

Targeting to Poverty Areas

In addition to using joblessness in the central cities rather than in the total metropolitan areas as a basis for targeting jobs programs to disadvantaged youth, such programs should also be targeted to poverty areas in central cities, suburbs and rural areas. Once again, this recommendation is not new, since targeting governmental programs to poverty areas was a major strategy used during the War on Poverty era of the 1960's. In fact, the Johnson Administration mandated that periodic and special surveys be conducted in poverty areas in order to assess: (a) the severity of unemployment in these areas and (b) the nature of the barriers to employment faced by economically and racially disadvantaged groups. Unfortunately, in the 1970's, there was a sharp shift away from targeting governmental programs to poverty areas and neighborhoods. 72/

Using Community-Based Organizations

One major reason why governmental jobs programs during the 1960's reached a larger proportion of minorities than those of the 1970's was that community-based organizations (CBO's) were extensively used as direct conduits to the disadvantaged. Many national organizations with capable community-based chapters and many

locally-based organizations which were funded directly by the federal government proved that they could reach economically and racially disadvantaged workers much more effectively than many state and local government agencies. Such direct funding of community-based organizations was sharply curtailed under CETA. If this nation is genuinely commited to reducing the chronic joblessness among minority youth, community-based groups that have demonstrated their ability to effectively reach and serve minority youth must be used as a major conduit for targeting jobs programs to the disadvantaged. 73/

Implementing Affirmative Action

Since racial and ethnic discrimination continues to be a major determinant of the persistent joblessness among minority youth, there is a vital need for increased commitment to obtaining equal employment opportunities for all youth regardless of race, ethnic origin or sex. Therefore, we recommend that strong enforcement of equal employment and affirmative action mandates be given the highest priority in order to more effectively target jobs to minority and disadvantaged youth. 74/

In sum, we recommend that economic and racial disadvantage be used as major criteria for targeting jobs programs to minority youth. In addition, we conclude that the persistent joblessness among minority youth can be significantly reduced if greater emphasis is given, once again, to targeting jobs programs to: (a) central cities, (b) poverty areas and (c) community-based minority organizations. Finally, a strong commitment to enforcing affirmative action mandates is vitally needed if this nation genuinely wants to achieve equal employment opportunities for all young people in this country.

Notes

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The Employment Problems of Black Youth: A Review of the Evidence and Some Policy Suggestions

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This analysis was prepared for the National Commission on Employment Policy and served as a background paper for a Conference sponsored by the Vice President's Task Force on Youth Employment

The Nature of the Problem

Perhaps the most critical issues underlying youth employment policy are why black employment problems are more severe than those of white youth and why the trend has worsened over time.

Usually these problems and trends are defined in terms of unemployment rates with which to work. Unemployment is a measure of the number of people who are in the labor force who are looking for work and unable to find it. The difficulty with this measure is that labor force participation in the youth labor market is a slippery concept. Youth, more than other demographic groups, move in and out of the labor force with considerable frequency. Many youth who are employed leave the labor force when they lose or quit their jobs, and many youth who are reported out of the labor force move directly from this status to employment without an intervening period of job search or reported unemployment (Clark and Summers, Smith and Vanski). As a result, the conventional labor force categories are less useful in the case of youth.

A better measure of labor force success is the employment to population ratio, i.e. the fraction of the cohort which is employed. Table I contains the employment to population ratios for the four 16-19 year old sub-groups as well as the racial ratios for men and women. Several facts stand out:

(1) White men have been able to maintain their position; their employment to population ratio has not declined since the late 1960's and if anything shows a slight secular improvement.

(2) Black men have not been so fortunate; their employment to population ratio - which was roughly equal to that of white men until the early 1960's - has shown a steady decline since then. Hence their situation has worsened, both absolutely and relative to white men.

(3) White women have experienced a sharp increase in their employment to population ratio since the mid 1960's. The ratio hovered around .35, subsequently it has been near .45. This sharp increase is due to a rising labor force participation rate in this group; in 1965 the rate was .39, in 1975 .52.

(4) The situation of black women has not deteriorated appreciably in absolute terms but is well below that of white women (and both groups of men) and has worsened relative to white women as the latter groups' rate has risen.

Table I

EMPLOYMENT TO POPULATION RATIOS

16-19 Year Olds

Year	Men			Women		
	White	Black	Black/White	White	Black	Black/White
1954	.50	.52	1.05	.36	.25	.68
1958	.47	.42	.88	.35	.23	.65
1962	.47	.42	.90	.35	.23	.67
1966	.50	.40	.80	.38	.23	.61
1970	.50	.31	.72	.40	.23	.57
1974	.54	.32	.59	.44	.22	.51
1978	.56	.30	.52	.49	.23	.48

Explaining the Patterns

There are, of course, a range of possible explanations for the deteriorating employment to population ratio:

1. Demographic Changes

One can either focus on trends in the numerator (employment) or the denominator (population). The latter naturally leads to a consideration of the baby boom. The postwar years saw rapid increases in cohort sizes and popular commentators have made much of this as a source of youth unemployment. In fact, the labor market responded quite well to this influx as evidenced by the ability of white youth to maintain or improve their labor market position. The baby boom was, however, sharper for blacks than whites: between 1960 and 1970 the size of the white 16-19 cohort grew by two fifths while that of blacks grew by two thirds. It might be argued that this different demographic experience is responsible for the racial variance in employment to population ratios. This argument, however, does not stand carefull scrutiny. If black and white youth were alike in all other respects and treated alike by the labor market then an increase in the size of either cohort would have symmetrical effects on the other. Thus, without an explanation of how and why the two groups differ or are treated differently, a recourse to the baby boom is without power. This suggests that the proper focus is upon the factors which have retarded the growth of black youth employment grew Between 1968 and 1978, 16-19 year old black youth employment grew only by 14%. Furthermore, a substantial (but impossible to accurately assess) portion of the black employment growth was due to federal training slots. Why are black employment levels below those of whites and why the differential in growth? These are the central questions.

The trends outlined in the previous section have been fairly widely recognized. There is not, however, any generally accepted set of explanations. One reason is that the patterns themselves are deceptively simple. Underlying the secular changes are other developments such as changing enrollment patterns, the business cycle, migration, and the like. These economy-wide trends have an effect upon the youth labor market and need to be considered. It is possible that treatment of black youth or their position in the labor market has either remained static or even improved but that this has been masked by other developments. On the other hand, it is also possible (and I think true) that the position of black youth has worsened, even holding these other trends constant. We thus want to distinguish analytically between the extent to which the worsening position of black youth is due to concurrent events in the economy and the extent to which it is due to changes in how black youth are treated.

Table III

Enrollment Rates, 1960-1975

	1960	1970	1975
16-19 Year Olds			
White Male	.71	.79	.63
Black Male	.61	.67	.70
White Female	.61	.70	.60
Black Female	.56	.64	.61
20-24 Year Olds			
White Male	.22	.31	.17
Black Male	.13	.16	.18
White Female	.10	.17	.11
Black Female	.09	.11	.11

Source: 1960, U.S. Census Summary, Vol, I, Table 253; 1970, U.S. Census Summary, Vol. I, Table 289; 1975, May 1975 Current Population Survey Tape

The next section will take up explanations which fall into the former category. These include changing enrollment patterns, migration, and the business cycle. Then the paper will examine several explanations which focus upon changes in the treatment and behavior of black youth.

2. School Enrollment

The increasing enrollment rates of black youth have been a factor in their declining employment/population ratio because in-school youth have lower labor force participation rates than their out-of-school brethren. As a growing fraction of black youth remain in school - a development most observers would applaud -- a side consequence will be a decline in the overall employment to population ratio of the cohort.

The enrollment rates of young blacks have been rising and the enrollment rates of whites have been on the decline. (Table III). Together these trends, would imply that black employment to population ratiow would decline, both absolutely and relative to those of whites (it should be noted that the 1975 figures probably understate enrollment rates relative to 1960 and 1970. The 1960 and 1970 data are taken from the Census which records actual school enrollment while the 1975 figures are taken from the Current Population Survey which asks for the major activity in the past week. Thus, part-time enrollments are likely to be missed in 1975. However, the trends are unmistakable).

A useful technique for determining the importance of these developments is to ask what black and white employment to population ratios would have been at time "t" if they faced the labor market situation existing at that time but had the enrollment patterns which existed at time "t-1". The following two tables show the results of these calculations for the period 1960-1975 and 1970-1975. For the entire 1960-1975 period, the employment to population ratio for 16-19 year-old black men would have been .29 had the enrollment shifts not occurred but because of these shifts, the ratio was .25. This, in itself, may not seem like a large difference, and .29 is still a clearly unacceptably low rate, but taken with the effect working in the opposite direction for whites (their enrollment rates declined over the period) it raises the racial ratio from .50 to .60. Again, a ratio of .60 is not within an acceptable range but it is non-trivially higher than .50. Similar effects are apparent for all sub-groups.

The effects in the 1970-75 period are considerably smaller for blacks but larges for whites. This reflects the sharp decline in school enrollment reported in the CPS and it should be remembered that this effect may be exaggerated.

Table IV

Impact of Enrollment Rate Changes, 1960-1975

	Actual Employment to Population Ratio, 1975		Hypothetical Employment to Population Ratio, 1975	
		16--19		
		Black/White		Black/White
White Male	.50	.50	.48	.60
Black Male	.25		.29	
White Female	.41	.49	.41	.56
Black Female	.20		.23	
		20-24		
White Male	.74	.80	.71	.87
Black Male	.59		.62	
White Female	.57	.77	.58	.79
Black Female	.44		.46	

Source: See Previous Table

Table V

Impact of Enrollment Rate Changes, 1970-1975

	Actual Employment to Population Ratio, 1975		Hypothetical Employment to Population Ratio, 1975	
		Black/White		Black/White
16-19				
White Male	.50	.50	.45	.57
Black Male	.25		.26	
White Female	.41	.49	.39	.51
Black Female	.20		.20	
20-24				
White Male	.74	.80	.63	1.00
Black Male	.59		.63	
White Female	.57	.77	.56	.80
Black Female	.44		.45	

Source: See Previous Table

3. Regional Shifts

The impact of regional shifts is quite weak compared to the role of enrollment trends. Table VI shows the ratio of black to white employment to population ratios, broken down by region. The movement from the South would be an important factor only if in 1970 (the latest year for which adequate data is available) the pattern in the South differed in important respects from elsewhere. On balance, the South, in fact, appears little different than other regions. Its treatment of enrolled black youth is somewhat worse than average and its treatment of youth not in school is somwhat better. Since most 16-19 year olds are enrolled, this implies that the movement out of the South helped them, while with most 20-24 year-olds out of school the movement from the South hurt them.

4. The Business Cycle

Youth employment rises and unemployment falls as the labor market tightens. This simple observation helps explain the difficult situation faced by youth in recent years. The nature of the relationship is shown in Table VII below. As is apparent, the employment to population ratio of each group is quite responsive to the business cycle (as measured by the unemployment rate of prime age white men). The nature of the time trends also confirm our earlier discussion: they are positive for whites and negative for blacks. In addition, the employment to population ratios of young blacks are relatively more responsive than those of whites to aggregate demand: a one percent decrease in the adult unemployment rate would increase the ratios by .11 percent for white 16-19 year-old men, .15 percent for black 16-19 year-old men, .08 percent for white 16-19 year old women, and .11 percent for black 16-19 year-old women. Finally, much of the adverse situation is recent years has been due to the poor performance of the economy. The prime age white male unemployment rate has been considerably higher than the 1954-78 average in three of the past four years.

This analysis of the business cycle should make clear that the policy most likely to help black youth is one of full employment. This is of central importance. On the other hand, this analysis is in another sense just an accounting exercise. We see that black youth employment is more sensitive than that of whites to cyclical conditions and that there is an adverse time trend, but these equations cannot tell us why this should be so.

TABLE VI

Ratio of the Black to White Employment To Population Ratio by Region, 1970

	16-19				20-24			
	Enrolled		Not Enrolled		Enrolled		Not Enrolled	
	Male	Female	Male	Female	Male	Female	Male	Female
North East	.56	.63	.61	.63	.98	1.04	.80	.88
North Central	.55	.60	.61	.62	.96	1.02	.79	.91
South	.56	.58	.78	.71	.79	.85	.86	.98
West	.55	.63	.61	.71	.98	1.04	.76	.98

Source: 1970 Census Summary, Vol. I, Table 289.

TABLE VII

Employment to Population
Ratio Regressions, 16-19 Year Olds
1954-1978
(t statistics)

Group	Constant	U35WM	Time	R^2	DW
White Male	.385 (5.50)	-2.068 (7.30)	.008 (2.79)	.896	1.42
Black Male	.553 (29.24)	-2.166 (5.43)	-.008 (9.02)	.964	1.78
White Female	.194 (2.82)	-1.273 (4.19)	.012 (4.02)	.937	1.53
Black Female	.276 (14.90)	-.975 (2.02)	-.001 (1.89)	.489	1.73

The dependant variable is the 16-19 year old employment to population ratio of the specific race/sex group; the independant variables are a constant, the unemployment rate of 35-44 year old white males, and a time trend.

5. Changes in Demand

Young workers typically find employment in limited sections of the economy, particularly retail trade, clerical, and unskilled manufacturing. For example, in October 1976, nearly half of employed 18-19 year old youth who were in school were working in wholesale and retail trades. Using similar data (though only for males), Freeman and Medoff (1979b) computed an Index of Structural Differences, a measure of the extent to which the industrial distribution of youth and adults diverge. They found extremely wide divergence for 18-19 year olds, but only minor divergence for 20-24 year olds. The pattern clearly indicated that with age, youth move out of "youth jobs" and into the adult sector.

The reasons youth work in a narrow section of the labor market are complex. In part, it is due to the part-time nature of much youth employment; in 1976 35% of 16-19 year old labor force participants were either voluntarily working part time or searching for part-time work. Bacause many youth want only part-time work, they are limited in the kinds of jobs they can find. A deeper reason why youth work in a limited sector is that other kinds of employers will not hire them. The reason for this is that youth are an unstable and uncertain work force, frequently quitting jobs and moving in and out of the labor force. Employers who have internal labor markets and invest in training workers are reluctant to hire these youth and as a consequence, youth find themselves with a limited choice of kinds of work.

If it is true that youth work in a limited sector, then any shrinking in that sector relative to the labor force will place strains on the youth labor market. There is some evidence that the youth sector has shrunk or grown sluggishly. In 1960, construction accounted for 5.9% of all jobs, in 1970 5.4%. Non-durable manufacturing declined from 11.7% to 9.8%, and retail employment rose from 14.8% to 15.0%. If youth jobs are shrinking, this would damage blacks relative to whites if white youth either were able to penetrate into other sectors of the economy, or if, faced with a shrinking pool of jobs, they were able to capture a greater share. There is only weak evidence that white youth are able to find jobs in other sector while blacks are not but there is, on the other hand, some evidence that white youth are able to capture a larger share of a stagnant or shrinking job pool. This evidence largely comes from comparing youth employment rates across SMSA's which vary in the relative importance of the youth job sector. If white youth are able to capture a larger fraction of youth jobs in SMSA's where those jobs are scarce then a measure of industrial structure should not prove significant in white employment equations. On the other hand, if blacks are not able to maintain their share when youth jobs are scarce, then the measure should prove significant

in their employment equations. These, in fact, are the patterns which have been observed. Kalachek (1969), working with 1960 data for all youth (which are thus dominated by results for whites), found that several industrial structure variables proved insignificant and he concluded that youth (whites) are able to capture a larger share of youth jobs in SMSA's where such jobs were relatively rare. Osterman founds a similar result with 1970 data for whites and also found that the variable was significant in equations for blacks.

6. The Suburbanization of Jobs

A shift in local economies which might be thought to damage the employment prospects of black youth is the suburbanization of jobs. This is frequently cited as a major problem because of the image of jobs moving to the suburbs while young blacks remain trapped in the inner city. The perception that jobs have suburbanized while black youth remain behind is correct. Between 1970 and 1974, central city employment in the United States increased by 2.7 percent, while employment outside central cities grew by 18.1 percent. In 1976, 75 percent of black 16-19 year-olds lived in central cities, while the figure for whites was 34 percent (Magnum and Senenger). As a result of these trends, a large literature has emerged concerning the impact of these developments upon black employment. John Kain initiated the debate and argued that black employment was reduced because of difficult physical access to jobs, lack of information, and the reluctance of employers to "import" blacks into white communities.

Whatever the merits of the argument for adults, it seems more reasonable for youth. Their geographical scope of job search is apt to be more limited, both because of limited access to automobiles and because many work part-time after school and, hence, are unlikely to take jobs which require considerable travel. There is also some casual evidence to support this argument: the unemployment rate of center-city, non-white youth in 1976 was 40.8 percent, while for those residing in the suburban ring it was 33.0 percent. (This evidence is casual because the rates are not controlled for other location specific factors - such as education - which might explain the differential.)

However, although the popular view is that suburbanization of jobs hurts the employment chances of black youth, once we remember that white residential dispersion has accompanied the job shift, the case is no longer clear. As white youth move to the suburbs, black youth may have a better chance at downtown jobs, even if the number of these jobs has decreased. On balance, their possibility of being employed may rise. Furthermore, large concentrations of blacks living and shopping downtown may lead firms sensitive to consumer preferences to hire more blacks. Evidence supporting this point, and hence contrary to Kain, was recently presented by Offner and Saks (1971).

A recent study by Osterman sought to examine this issue by including in SMSA employment equations a variable measuring the ratio of racial residential dispersion to job dispersion (roughly, the number of central city jobs to central city population, the population variable being race specific). This variable proved insignificant in influencing the level of employment for both young blacks and whites. Thus, impact of job suburbanization has seemingly been offset by the suburbanization of the white population and the net effect is that black youth employment has not been diminished.

7. Competition from Other Groups

Thus far we have spoken of youth jobs as though there was a sector of the labor market reserved for young workers. Although this over-simplification has sufficed for the analysis thus far, it must now be corrected. The jobs in which most youth work are not best understood as youth jobs, rather they should be viewed as part of the secondary labor market. Secondary jobs are the deadend low-skilled jobs in the economy. While youth employment is largely confined to this sector, other groups are also part of the secondary labor force. These groups can be roughly classified into two categories: those who find secondary employment satisfactory because their attachment to the labor force is weak and they are interested only in part-time casual employment and those who are confined to secondary employment by the discriminatory hiring practices of primary firms. Many youth, some adult women, and immigrants who view their stay as temporary fall into the former category. Other adult women and minority groups fall into the latter category.

Given this perspective, it seems apparent that youth must compete with other labor force groups for secondary jobs. A possible explanation of the difficulty that black youth face is that this competition has intensified. There is good reason to believe that this has been the case. Between 1960 and 1975, the labor force participation rate of married women with children between the ages of 6 and 17 rose from 39 percent to 54 percent. It is likely that many of these women, for reasons of both life style and discrimination, work in the same secondary sector occupied by youth.

The only study directly examining this issue is an effort by Osterman based upon SMSA data. Using 1960 and 1970 data, he found that the employment of black youth is significantly related to the wages of adult women, while such a relationship does not hold for white youth. In addition, the growth of black youth, but not white youth, employment between 1960 and 1970 was negatively related to the fraction of the SMSA's 1960 labor force accounted for by adult women.

The findings are strongly suggestive but should be regarded with some caution. First, it is always dangerous to reach firm conclusions on the basis of one study. In addition, it is important to identify with some care the nature of the jobs for which the groups compete. In fact, the occupational overlap between young black males and adult women is limited (in 1976 the percentage of employed, married women with husbands present in sales and clerical jobs was 42 percent, in services, 16 percent and in blue-collar jobs, 16 percent. For black males, the corresponding proportions were 13 percent, 40

percent, and 36 percent). Thus, while there is clearly some overlap, the occupational distributions are by no means identical. Of course, the overlap between the distributions for adult women and young black women is much closer.

The evidence concerning substitution of illegal immigrants for black youth is entirely anecdotal, although plausible. Piore (1979) has argued that in the mid to late 1960's, an era of relatively full employment, black youth became a more difficult labor force (because their expectations has been raised by the Civil Rights movement as well as a shift in their frame of reference from first generation migrants from the south to second generation natives of the north). For this and other reasons, secondary employers began to actively encourage and draw upon a stream of illegal aliens. Regardless of whether the employer perception of black youth behavior was accurate, or remains accurate, the process is very difficult to reverse. Therefore, in many urban labor markets, jobs which once went to black youth are no longer available to them. It is obviously difficult to test this econometrically, since data on the employment of illegal aliens is not available. The evidence that adult women have been substituted for black youth does, however, add plausibility to the argument because it does suggest that employers have been substituting away from black youth.

8. The Supply Characteristics of Youth

Thus far, we have not focused on the nature of the youth themselves. Perhaps employment rates are so low because in some sense youth do not want to work. When they first enter the labor market, youth can be characterized as being in a "moratorium" stage, more interested in adventure, sex, and peer group activities than in stable employment (Osterman). As a result, there is a good deal of movement between jobs in and out of the labor force. All of this increases unemployment and reduces employment rates. The relevant questions for our purposes, however, is whether there exists a racial differential in these attitudes, for such a differential would be required to explain the racial differential in employment. Furthermore to explain the trend one would have to argue that these attitudes have been shifting in recent years.

There have been several mechanisms proposed which might generate the kind of racial differences in attitudes, expectations, or aspirations which would serve to reduce employment. First, the wide availability of alternative, often illegal, income sources in the ghetto might serve to ease the pressure on black youth to work and in effect raise their reservation wage (the minimum wage required to accept employment). For example, on the basis of interviews with youth in East Los Angeles and Watts, Paul Bullock (1973) concluded that "the subeconomy is probably the greatest single source of market income for young men in the central city." However, even if this is true, its import is not clear. First, many white youth also participate in such activities. Second, youth may view these activities as an

unsatisfactory substitute for work and be willing to take a job (even at financial sacrifice) were one available. A second possible source of behavioral differences cuts in another direction. Some observers have argued that the progress blacks have experienced in recent years has raised expectations higher than is reasonable and young blacks may, as a consequence, refuse available work. Another possible source of such behavior is an unrealistic picture of the work world generate by home or school experiences.

There is obviously no question that some youth, both black and white, are in difficulty for some of the reasons disscussed above. For these youth, employment problems are due less to the labor market than to personal difficulties. However, it does not appear that the bulk of the problem can be accurately attributed to these sources. There are three important pieces of evidence which lead to this conclusion.

First, evidence does not suggest that the reservation wages of black youth are too high. Employing data drawn from the National Longitudinal Survey of Young Men, Osterman estimated reservation wage equations for black and white youth who were employed. The reported reservation wage was regressed against personal characteristics--education, ability, labor market experience, and so forth--and the duration of unemployment. No significant racial differentials were found in the structure of the reservation wage equation. In a similar exercise, Osterman regressed a measure of aspirations--the Duncan score of the occupation desired at age thirty--against various personal characteristics and again no racial differences were observed. In addition, a recent review of the sociological and psychological literature by Leonard Goodwin found no evidence of a systematic difference in the work orientation of black and white youth.

Second, virtually all unemployed youth--both black and white--take the first job they are offered (Stephenson, Osterman). This pattern is not consistent with the view that youth reject available jobs.

Finally, and most convincing, is the clear finding that when the economy is tightened and jobs become available, black youth, even more so than white, flow from unemployed and out of the labor force status to employment. The earlier discussion of the business cycle clearly demonstrated this to be true. If large numbers of youth simply did not want to work, then we would not observe this pattern.

8. Preparation

Youth who are less well-prepared than others in terms of education and training may well be expected to have more difficulties finding and holding employment. They will find themselves at the bottom of the hiring queue and when they do find jobs, they will more likely be in unstable sectors. Young blacks have, on the average, less adequate preparation than whites. As a consequence, they might be expected to have higher unemployment and lower employment rates than

whites. To the extent that these background characteristics are indeed a legitimate basis on which to make employment decisions, the acceptable from the viewpoint of labor markets, though they may ultimately reflect pre-labor market discrimination in institutions such as schools.

One approach which is helpful in assessing the importance of racial differentials in background characteristics is to regress unemployment upon those characteristics, separately for blacks and whites, and then determine the extent to which the gross differential in weeks of unemployment can be decomposed into a differential due to background differences and a portion due to return to those characteristics. That is to say, one extreme finding is that the outcomes for statistically identical blacks and whites are identical and thus the observed differential is due to differences in background characteristics. The other possible finding is that statistically identical blacks and whites have different outcomes and thus returns to characteristics differ. The purpose of the analysis is to get a sense of the magnitude of each kind of finding. This sort of analysis was carried out by Osterman who developed a model for duration and spells of unemployment. The model was applied to 1969 data for young men and the basic finding was that 50 percent of the racial differences in annual weeks of unemployment could be accounted for by differences in background characteristics.

This finding is clearly important because it implies that successful pre-labor market interventions (in schools, for example) would succeed in closing an important part of the racial gap in unemployment. However, the 50 percent figure whould probably be viewed as an upper bound because it implicitly assumes that the racial differences in background characteristics are, in fact, legitimate basis' for differential employment outcomes. However, as the success of numerous Title VII cases have shown, seemingly reasonable employment criteria are often subterfuges for discrimination. For many jobs in the youth labor market it is difficult to believe that successful performance (or training costs) depend on whether a youth has completed eleven or twelve years of school.

A second problem with this explanation is that it cannot explain why the situation has worsened over time. In the recent decade, black youth have improved their achievement relative to whites (as the discussion of enrollment trends indicate). Yet, this improvement has been accompanied by a worsening of their employment situation. Thus, while differences in background characteristics contribute to the differential on the level of employment outcomes, they cannot explain the deterioration of the relative position of black youth.

9. Job Contact Networks

Most firms prefer to recruit workers through the personal contact of persons already in the work force and most workers find their jobs in this manner. Even in the absence of continuing racial discrimination the heritage of past discrimination will continue to be felt because the parents and relatives of black youth are less well-placed to assist them. As a further consequence, black youth will become more dependent upon formal institutions (schools, CETA, the employment service), institutions which do not have good placement records. The evidence concerning the role of job contacts is mixed. Some studies (Lurie, Osterman) have found that blacks are less able than whites to make use of personal contacts, while other data (for example, the National Longitudinal Survey of Young Men) have not found this to be true. It should be noted that even if blacks find jobs through personal contact with the same frequency as whites, those contact may not be effective and search time may be longer. However, it should also be understood that this factor cannot explain the deteriorating trend; there is no reason to believe that the access of blacks to contact networks has worsened over time. The improved occupational and wage distribution of adult blacks should be reflected in improved contacts and access for young blacks.

10. Market Failure

One version of the market failure argument holds that black youth employment is high and rising because the wages which employers must pay black youth are "too" high. The evidence underlying this argument is presented in Table VIII. As is apparent, in recent years the relative wages of white youth have fallen while those of blacks have not. The fall in the white youth wages resulted in important part from the excess supply of white youth and the contraction of youth jobs. These forces also affected blacks but their wages did not fall, it is argued, because of affirmative action pressure and other barriers such as the minimum wage which served as a floor. The consequence is that black youth have become too expensive and their employment fell.

In a tautological sense, this argument is correct. If black wages fell to zero, many more would be hired. However, this cannot be what advocates of this position mean; there must be some substantive content to the phrase "too high."

TABLE VIII

Ratio of Weekly Earnings of Full Time Young Men
To Weekly Earnings of White Men
Twenty Five and Over

	Whites		Blacks	
Age	1969	1977	1969	1977
18	.54	.49	.44	.44
20	.66	.58	.63	.52
22	.79	.63	.59	.54
24	.87	.75	.60	.63

Source: May Current Population Survey Tapes; Taken from Richard B. Freeman, "Why is There a Youth Labor Market Problem?," paper prepared for the National Commission on Employment Policy, May, 1979, p. 4.

The standard for the "correct" wage must be that the wage ratio of black and white youth should be equal to the ratio of their productivity. In these terms, the argument collapses. First, we would expect that in recent years the relative wage of black to white youth should rise because their relative education and other endowments have risen. Second, when human capital earnings equations are estimated, the results show that black youth in recent years are approaching but have not exceeded the fair, nondiscriminatory wage (Freeman, 1978; Welch). They are beginning to receive an equal return to what are, presumably, productivity-linked characteristics. Again, it is "proper" in these terms that their wage relative to whites has risen and in the nontautological sense the relative wage explanation lacks validity.

II. Discrimination

The traditional approach in the economics literature for measuring discrimination is to conceptually distinguish between endowments and returns to those endowments. For example, with respect to earnings, a portion of the racial gap is due to lower levels of education and training on the part of blacks (endowments) and a part to the fact that the labor market rewards comparable white and black endowments differently (returns). Conventionally, differences in endowment levels are treated as legitimate sources of differentials while differences in returns are seen as discrimination. Using such an approach for an analysis of earnings, economists found evidence of substantial discrimination for the period prior to the mid-1960's, but in recent years it appears as if wage discrimination by race has essentially ended (Freeman, 1973; Welch).

Thus, with respect to wages, the evidence is that the force of discrimination has considerably lessened, if not disappeared (keeping in mind that a crucial assumption is that the level of endowments are indeed legitimate bases for earning differentials). This result is paradoxical since the differential between black and white unemployment levels is so large that it is difficult to believe that discrimination is not an important factor. One effort to decompose the unemployment experience of young black and white men into portions attributable to endowments and "returns" to those endowments (Osterman) found that racial differences in endowments could explain 50 percent of the gap in unemployment experience. Following the convention in the earnings literature, this would imply that the remaining 50 percent is due to discrimination. There are, however, numerous

sources of error in such estimates, some of which would lead to an underestimate of discrimination (the endowments may not be legitimate causes of differential treatment) while others would overestimate discrimination (relevant characteristics are either measured with error or data on them are unavailable). Thus, this estimate should be treated as a ball park figure.

How discrimination actually occurs is not clear. One obvious source is a tendency of firms to lay off black workers more readily than whites. However, surprisingly, neither the Osterman study nor another effort (Culp) found evidence that, after controlling for personal characteristics, blacks were laid off more frequently than whites. This leaves two additional sources--differential treatment on the job which leads blacks to quit more frequently and discrimination at the hiring gate. Little direct evidence is available on either issue and clearly more research is required.

Policy Implications

The analysis of the previous section has gone some way toward identifying the sources of the sluggish growth of black youth employment and rising black youth joblessness. The next question, of course, is what policy implications can be drawn from the analysis.

This is not an easy question. Imagine, for example, that we are convinced that employers have been substituting adult women for black youth. The immediate implication is that policy should seek to discourage adult women labor force participation, but this is obviously neither feasible nor desirable. Similarly, the finding that black youth employment is sensitive to the industrial structure is interesting but does not lead to any reasonable policy implications.

It seems useful to organize our thinking concerning policy into two broad categories: policies designed to expand the pool of available youth jobs and policies designed to alter the share held by blacks of a fixed job pool. Of course, in reality, there is some interaction between these two categories: it is easier to alter the black share of an expanding rather than a stationary or declining pool. Nonetheless, as a first approximation, these distinctions are helpful.

Turning first to policies designed to expand the pool of youth jobs, it is clear that expanding aggregate demand and tight labor markets will do more for black youth employment than any alternative conceivable policy. Table IX shows what black and white youth unemployment rates would be were the economy at full employment for white adult males. As is apparent, when labor markets tighten, the situation of black youth sharply improves, both in absolute terms and relative to whites. This is a central fact, one which contradicts the arguments that black youth are apathetic and uninterested in work, and that they are unqualified to work. Rather, it is apparent that for the reasons discussed earlier black youth find themselves on the bottom of the hiring queue. Tight labor markets break down discriminatory barriers, force employers to reach down in the queue. No other conceivable policy will do as much for black youth as will a macroeconomic policy directed at full employment. It should also be noted that a considerable racial gap still remains and that the structural policies to be discussed below will still be necessary.

An expansion of the private economy is the preferable form of job creation because many of the jobs which are created offer long-term career prospects. An alternative form of job creation lies in public job programs via the CETA system. Most Federal youth dollars now go to public jobs, both summer and after school throughout the year.

Another approach to evaluating policy is to proceed by taking the pool of available youth jobs as fixed and ask what would be necessary to assure that those jobs were allocated equitably. A working definition of equitable in this case would be that a person's chance of being employed (and unemployed) is independent of his or her race. The job queue would be re-shuffled to make the labor market race blind.

If we take this as the goal then we need to ask why the queue does not now meet this criteria and this, of course, is what the earlier section addressed. In terms of organizing our thinking for policy, it seems useful to distinguish between two groups of black youth. The first is a group, relatively small, who experience frequent spells or long durations of unemployment because they are in some sort of personal difficulty. The second group are those, more numerous, who are essentially job-ready, but are unemployed because discriminatory practices have led them to be placed low in the queue.

Table XI

Predicted Unemployment Rates

White Male 25-54 = 1.5% Unemployed

Age	White Male	Black Male	White Female	Black Female
16-17	13.1%	29.1	14.2	35.2
18-19	9.3%	22.7	11.5	31.7
20-24	5.6%	10.6	6.2	13.2

Source: Lester Thurow, Youth Unemployment. Rockefeller Foundation Working Paper, 1977.

Turning to the first group, those whose personal circumstances lie at the heart of the problem, it should first be noted that this category is quite diverse. Some may be single parents who simply need access to daycare. Others in this group have low reading and writing levels, some have lost confidence in their abilities and life chances, some are involved in criminal activities, while others have psychological problems of various sorts. This is a group for whom supply-side human capital and social-work oriented programs make sense.

The second groups of black youth are those who are equipped to function well in entry-level jobs but are unable to locate them. The problems facing this group are those of discrimination and inadequate job contacts. The policy solution is to find ways to alter hiring patterns and practices in the economy.

The distinction between youth who are in serious personal difficulty and youth who simply need a job (perhaps with a touch of services) parallels the distinction between hard-core unemployed and those who are unemployed because of inadequate demand.

Tables X and XI below show for males the fraction of youth who experienced different amounts of unemployment over a 2-year period and who experienced different numbers of spells. These results seem to bear out the assertion that most youth who are unemployed do not fall into the hard-core category. For example, only 28 percent of 16-19 year-old black youth averaged more than 6 weeks of unemployment per year. Thus, while some youth clearly do fall into the hard-core category, most do not. It is the hard-core group who should be the focus of Federal employment and training programs.

Table X

Distribution of Weeks of Unemployment
Among Out-of-School Male Youth Who Experience Some Unemployment
1969-1971

Weeks of Unemployment	16-19		20-24	
1969 - 1971	White	Black	White	Black
1-4	32.8%	42.6%	45.3%	28.8%
5-8	19.5	15.0	18.6	14.0
9-12	11.8	13.6	13.2	17.8
13-16	8.8	4.8	4.8	6.6
17-20	3.4	0.9	4.8	8.9
20+	23.7	23.1	13.3	23.9
	100%	100%	100%	100%

Source: National Longitudinal Survey of Young Men.

Table XI

Distribution of Spells of Unemployment
Among Out-of-School Male Youth Who Experience Some Unemployment
1969-1971

	16-19		20-24	
Spells	White	Black	White	Black
1	28.6%	20.5	47.4	21.4
2	28.6	16.6	26.1	37.2
3	19.4	37.4	13.8	18.2
4	9.9	17.2	9.5	12.1
5+	13.6	8.4	2.1	11.1
	100%	100%	100%	100%

Source: National Longitudinal Survey of Young Men.

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AN ANALYSIS OF THE BLACK YOUTH EMPLOYMENT PROBLEM

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INTRODUCTION

Recent concern over teenage unemployment rates has reemphasized what we don't know: in particular, how seriously does one interpret rates of teenage unemployment vis-a-vis adult unemployment. While there is no way to completely resolve this uncertainty, there are some ways to reduce it. The first is through historical comparison: to see in what ways (if any) the situation has gotten better or worse over time. The second way is to assess the relationship between teenage unemployment and other factors--particularly factors implying economic hardship. The third way involves seeing to what extent teenage unemployment is concentrated on the same individuals over the short run and on into later years.

Our findings can be summarized as follows:

- The major change in youth unemployment rates over the last fifteen years has been a substantial deterioration of the employment picture for black male teenagers (16-19) and young adults (20-24).

- The increased unemployment rate for black male teenagers is associated with a rapid increase of unemployment among black male teenagers in school, an increase far in excess of enrollment rates or students labor force participation rates.

- The increase in employment among black male young adults does not have any equally simple corrolates.

- Among black male teenagers who are not in school, the correlates of low employment are living in a central city, being a high school drop-out, being in a family that receives welfare and, most importantly, having little recent work history. There is a hard core of about 110,000 persons with very low probabilities of employment in the short term and who display these characteristics disproportionately.

- Among black male young adults, there is a hard core of about 135,000 who display equally low probabilities of employment and who resemble the hard core teenagers in all but one crucial respect: education. While being a drop-out is a significant predictor of teenage employment status, it says little about the employment status of young adults when other factors are controlled.

Trends

Tables 1 and 2 present a brief summary of teenage (age 16-19) and young adult (age 20-24) labor force statistics for the past fifteen years. In analyzing the statistics, we want to separate true historical trends from year-to-year fluctuations in the economy. This separation is aided by the fact that aggregate labor conditions in 1964 and 1978 were roughly equivalent. For example, the unemployment rate for all men, age 25-54 averaged 3.2% in 1964 and 2.4% in 1978. As a first approximation, then, we can view differences between the 1964 and 1978 teenage statistics as a product of the trends in which we are interested.

A quick look at the figures in Table 1 suggest that it is necessary to discuss each race-sex group of teenagers separately.

Table 1

Teenage Labor Force Statistics 1964-76
(persons ages 16-19)

	Black Males			White Males			Black Females			White Females		
	LFP	U	E/P	LFP	U	E/P	LFP	U	E/P	LFP	U	E/P
March 1964	.43	.23	.33	.46	.17	.38	.25	.35	.16	.34	.12	.30
March 1968	.44	.23	.34	.55	.11	.49	.31	.30	.22	.46	.10	.41
March 1976	.36	.35	.23	.56	.19	.45	.31	.41	.19	.49	.17	.41
March 1978	.40	.42	.23	.59	.15	.49	.31	.44	.17	.55	.14	.47

Source: Tabulations of the Current Population Survey

The unemployment rate for white male teenagers remained relatively constant at about .15 between 1964 and 1978. But this constant unemployment rate masked a significant increase in the number of white male teenagers who were interested in working as well as those who were actually working. The increased interest in work is demonstrated by their rising labor force participation while the ability to find jobs is demonstrated by the rising employment/population ratio. This combination of an increased proportion employed and a constant unemployment rate suggests that the employment situation of white male teenagers has improved over time.

White Female Teenagers. The case of white females parallels the case of white males in both trend and level. The number interested in working has risen sharply; the number finding work has increased sharply; the unemployment rate, controlling for overall economic conditions, has remained relatively constant at .14. Again, then, it is possible to say that the employment situation of white female teenagers has improved over time.

Black Female Teenagers. Throughout the period, black females have had the poorest labor force statistics among the four race-sex groups. Their March 1964 unemployment rate, .35, was three times the unemployment rate for white females and one-and-one-half the unemployment rate for black males. Between 1964 and 1978, the number of black females interested in working increased moderately, but almost none of this increase was reflected in increasing proportions who worked. Thus labor force participation increased from .25 to .31, the employment/population ratio remained constant, and the unemployment rate rose to .44. This can be summarized by saying that black females began the period at very poor level and experienced a mild deterioration.

Black Male Teenagers. Among the four race-sex groups, only black male teenagers experienced a dramatic deterioration over the period. In 1964, their labor force statistics were moderately below those of white male teenagers and were substantially better than those of black females. By 1978, their labor force statistics were on a par with those of black females, far below those of white males. Their employment/population ratio fell from .33 to .23; their labor force participation rate declined slightly, and their unemployment rate rose from .23 to .42. Thus this group began at a reasonably good position and experienced a significant decline.

Table 2

Young Adult Labor Force Statistics
(persons ages 20-24)

	Black Males			White Males			Black Females			White Females		
	LFP	U	E/P	LFP	U	E/P	LFP	U	E/P	LFP	U	E/P
1964	.89	.10	.79	.83	.09	.76	.48	.25	.36	.50	.08	.46
1968	.82	.09	.75	.75	.06	.71	.55	.12	.49	.54	.05	.51
1976	.74	.24	.56	.81	.12	.71	.56	.21	.44	.65	.11	.58
1978	.76	.23	.58	.84	.11	.75	.61	.20	.49	.67	.09	.61

Labor force statistics for young adults - persons 20-24 - are contained in Table 2. These statistics are important in two respects. They describe the position of young adults themselves, but they also give indications of the extent to which trends in the teenage labor force are carried into later years.

The data in Table 2 can be summarized in the following way:

White Male Young Adults. The position of white male young adults has remained almost constant over the fourteen years. This constancy is reflected in labor force participation rates, employment/population ratios and unemployment rates that are almost identical in the two years.

White Female Young Adults. The trend for white female young adults parallels the trend for white female teenagers: labor force participation has increased sharply and most of the labor force entrants have found employment. Correspondingly, the unemployment rate in 1978 is about equal to the unemployment rate in 1964.

Black Female Young Adults. Between 1964 and 1978, black male young adults experienced a deterioration equivalent to that of black male teenagers. In 1964, their employment/population ratio was .79 compared to .76 for white male young adults. Over the next 15 years, the white employment/population ratio stayed constant while the black employment/population ratio declined by 21 points. As shown in Table 2, the unemployment rate for black male young adults rose from .10 to .23. But because black labor force participations also declined sharply, the change in unemployment rates understates the change in their labor market. Had the labor force participation rate of black male young adults remained at its 1964 level, the 1978 employment/population ratio would have translated into an unemployment rate of .35.

The Causes

Why has the condition of black male teenagers and young adults deteriorated so sharply in the last fifteen years? A variety of theories have been put forth and among them three stand out: migration to central cities; increased school enrollment; and higher reservation wages.

Migration to Central Cities: Some argue that blacks have experienced low unemployment rates only in rural areas, while their central city unemployment rates have always been quite high. Under this hypothesis, deteriorating labor force statistics for black men are a result of movements away from rural areas and into cities.

Increased School Enrollment: Theoretically, students have less mobility than do full time workers to look for and travel to jobs. Under this hypothesis, deteriorating labor force statistics for black young men are a function of their increased school enrollment.

Higher Reservation Wages: Under this hypothesis, the civil rights revolution has produced an increased reluctance on the part of blacks to take jobs they perceive as menial. Their increased aspiration is complemented by rising black incomes which reduce pressure on young men to take work they do not find appropriate. Correspondingly, unemployment and labor force participation of black young men have deteriorated not because work is totally unavailable but because the men are willing to wait until they find the right job.

Data to examine the city-migrant and school-enrollment hypotheses for teenagers is contained in Table 3 which disaggregates labor market statistics by school status and whether or not someone lives in a central city. A comparison of black males with the other race-sex groups suggests that both hypotheses have a kernal of truth but neither can account directly for the deterioration of black male teenage uemployment.

The city-migrant hypothesis is correct insofar as black male teenagers fare substantially worse in central cities than in the rest of the country. For example, the 1978 unemployment rate of out-of-school teenagers was .43 in central cities and .22 outside. This difference for black males holds for both in school and out of school and for all four years examined. No other race/sex exhibits such a consistantly negative effect from living in the city.

Table 3

Teenage*Labor Market Statistics Disaggregated by Race, Sex, School Status and Place of Residence
(Data in Thousands)**

	In Central Cities								Out of Central Cities								All			
	In School				Out of School				In School				Out of School							
	Pop	E/P	LFP	U	Pop	E/P	LFP	U	Pop	E/P	LFP	U	Pop	E/P	LFP	U	Pop	E/P	LFP	U
Black Males																				
1964	220	.18	.23	.24	103	.53	.85	.38	209	.18	.21	.14	112	.78	.83	.13	644	.33	.43	.23
1968	260	.17	.24	.31	138	.64	.83	.23	288	.23	.26	.13	121	.67	.83	.20	808	.34	.44	.23
1976	426	.09	.18	.48	192	.51	.79	.36	300	.07	.12	.40	155	.58	.78	.26	1,073	.23	.36	.35
1978	451	.09	.24	.62	168	.44	.75	.43	312	.16	.29	.42	136	.61	.79	.22	1,069	.23	.40	.42
White Males																				
1964	980	.32	.37	.15	341	.71	.93	.23	2,884	.35	.33	.16	883	.73	.89	.10	5,088	.38	.46	.17
1968	1,068	.27	.38	.28	343	.70	.82	.19	3,331	.30	.39	.11	982	.76	.84	.16	5,724	.49	.55	.11
1976	1,016	.39	.46	.15	585	.75	.87	.15	3,454	.34	.38	.21	1,911	.75	.88	.15	6,966	.45	.56	.19
1978	1,043	.34	.41	.17	561	.76	.88	.14	3,493	.34	.43	.20	1,876	.78	.89	.13	6,973	.50	.59	.15
Black Females																				
1964	174	.08	.11	.27	173	.28	.42	.34	238	.07	.12	.40	130	.30	.47	.37	715	.16	.25	.35
1968	281	.10	.19	.47	201	.41	.59	.30	259	.11	.12	.10	146	.35	.48	.26	887	.22	.31	.30
1976	401	.09	.19	.49	195	.37	.57	.34	356	.09	.16	.43	181	.37	.64	.43	1,133	.19	.32	.41
1978	393	.09	.20	.51	231	.30	.44	.33	348	.09	.18	.49	175	.31	.58	.46	1,147	.17	.31	.44
White Females																				
1964	968	.19	.23	.15	511	.53	.62	.15	2,750	.20	.23	.10	1,148	.49	.56	.11	5,377	.30	.34	.12
1968	950	.24	.28	.12	582	.60	.65	.09	3,207	.25	.28	.09	1,283	.56	.62	.11	5,072	.41	.46	.10
1976	879	.30	.36	.17	684	.63	.73	.14	3,405	.27	.34	.19	2,037	.61	.72	.16	7,005	.41	.49	.17
1978	904	.32	.39	.17	1,576	.60	.69	.13	3,401	.32	.38	.17	2,106	.62	.72	.13	6,987	.47	.55	.14

*Persons aged 16-19
* **Observation refer to March of each year.

At the same time, the movement of black men to central cities since 1964 has not been very large. This is summarized in Table 4 which shows that in 1964, .50 of all black teenagers lived in central cities while in 1978 the proportion had risen only to .58. While conditions in central cities are particularly bad and are an appropriate focus for policy, the amount of migration to central cities over the last 15 years has not been great enough to account for the deteriorating black male teenage employment situation.

The school enrollment hypothesis is similarly partially correct. As shown in Table 4, the proportion of black male teenagers in-school has risen from .66 in 1964 to .71 in 1978, a shift too small to account by itself for any dramatic changes. At the same time, Table 4 shows that the proportion of the unemployed who were in school rose from .29 in 1964 to .59 in 1978. This result was caused not by increased school enrollment but by a rapid increase in unemployment among persons going to school. In 1964, labor force participation among in-school black male teenagers was about .22 and the unemployment rate was .18. In 1978, labor force participation among in-school black male teenagers was .26 and the unemployment rate was .53. These figures describe a dramatic increase in in-school unemployment. Moreover, the increase is not due to increased labor force participation, but to a decline in the proportion of in-school black male teenagers - particularly those in city schools - who hold jobs.

To summarize, in 1964, three of ten unemployed black male teenagers were in school. In 1978, six out of ten were in school. This shift in the nature of the unemployed is substantilly larger than corresponding shifts for other race-sex groups, and is at least a beginning of an explanation for the deteriorating position of black male teenagers.

What about household incomes? The left half of Table 5 contains income figures for male teenagers' families. The figures are taken from the March CPS Questionnaire and so refer to income for the previous calendar year. The numbers refer to household income exclusive of the teenager's own earnings.

The data shows that for both blacks and whites, working teenagers do not come from the poorest families. To the contrary, the data suggest that, controlling for race, unemployed and not-in-the-labor force teenagers come from families with income that is slightly lower than the family income of teenagers who are working.

Table 4

Impacts of Shifting Residential and School Status for Teenagers Ages 16-19

	Proportion of Population in Central City	Proportion of Unemployed in Central City	Proportion of Population in School	Proportion Unemmployed in School
Black Males				
1964	.50	.71	.66	.29
1978	.58	.67	.71	.59
White Males				
1964	.26	.24	.76	.52
1978	.23	.23	.65	.60
Black Females				
1964	.48	.47	.57	.26
1978	.54	.47	.64	.45
White Females				
1964	.28	.37	.69	.44
1978	.23	.24	.62	.41

The data in Table 5 for 1977 also show that black teenagers, regardless of their employment status, come from substantially lower income homes than do whites. The percentage figures in parentheses refer to the proportion of teenagers whose 1977 family income (from all sources including the teenager's earnings) fell below 125% of the poverty line. The data show that about 45% of in-school black male teenagers who do not work meet this standard compared to 11% of whites. Similarly 55% of the out-of-school black male teenagers met the standard compared to 26% for whites.

Can a teenager's earnings make any difference to such a family? To a limited extent, it can. Table 6 contains average annual earnings in 1977 for teenagers and young adults who worked at least one week during the year. Because these average statistics include the earnings of persons who worked only small amounts during the year, they understate the potential impact of teenage earnings upon family income. The data for teenagers show that the average earnings of whites and blacks in school raised family income by about 6% over what it otherwise would have been, while the average earnings of whites and blacks out of school raised family incomes by about 20% over what they otherwise would have been.

The labor market for black male young adults ages 20-24 had deteriorated as badly as had the labor market for black male teenagers, but the explanations are not as readily apparent. For black male young adults, as for teenagers, there has been a rapid increase in in-school unemployment rates. But unlike teenagers, relatively few young adults are in school and so, as shown in Table 8, students accounted for only 11% of all black unemployed young adults in 1978. Similarly, labor market conditions for these young men are generally worse in central cities, but migration to central cities has not been great and the city-noncity differences may have converged in recent years. Correspondingly, neither the city-migration hypothesis nor the school enrollment hypothesis has anything to say about the deterioration of the labor market for black male young adults.

This absence of any beginning explanation is alarming in light of the figures themselves. The disaggregation in Table 5 shows that 307,000 black male young adults--about 30% of the age cohort--are neither working nor in school, a percentage more than twice as high as the corresponding percentage for whites.

Household income figures for these young adults are contained on the right side of Table 5. To clarify the numbers' meaning, the tabulations include only young adults who are still living in their parents' home. Again, the income figures exclude the earnings of the young adult himself. And again, the results suggest that those who hold jobs are typically from families with income that is higher than the family income of persons who are unemployed or not in the labor force. As in the case of teenagers, the average annual earnings numbers in Table 6 suggest that whether or not a young adult is employed can make a substantial difference in a family's income.

Table 5

Annual Household Income (Excluding Young Persons' Earnings) For Teenage and Young Adult Men Who Live With Their Parents

	16-19			20-24		
	Labor Market Status in March 1964			Labor Market Status in March 1964		
1963	Employed	Unemployed	NLF	Employed	Unemployed	NLF*
Black Men						
In School	$5,414	$4,870	$4,010	----------		
Out of School	3,685	3,382	2,267	$3,017	$2,115	$2,641
White Men						
In School	7,420	7,335	7,060	----------		
Out of School	5,101	3,823	4,411	3,182	2,775	3,534

	16-19			20-24		
	Labor Market Status in March, 1978			Labor Market Status in March 1978		
77	Employed	Unemployed	NLF	Employed	Unemployed	NLF
Black Men						
In School	$14,144 (30%)**	$12,651 (50%)	$13,880 (42%)	----------		
Out of School	12,899 (84%)	12,345 (51%)	10,145 (61%)	$13,736 (16%)	$14,739 (28%)	$10,973 (45%)
White Men						
In School	23,966 (7%)	21,369 (12%)	22,989 (11%)	----------		
Out of School	22,738 (17%)	15,895 (27%)	19,300 (26%)	22,347 (2%)	17,731 (8%)	18,840 (14%)

*Figures refer to Household income minus the earnings of the teenager or young adult. Because of the relatively small proportion of 20-24 year olds in school, we ignore this category here.

**Figures in parenthesis refer to the proportion of each group--i.e., in-school black males, aged 16-19, who were employed in March 1978--whose 1977 household income from all sources was below 125% of the poverty line.

Table 6

Average 1977 Earnings for Young Men Who Lived with Their Parents and Worked at Some Time During the Year.

	16-19	20-24
Black Men		
In School	$717	---
Out of School	2,473	6,047
White Men		
In School	1,205	---
Out of School	3,061	5,798

Table 7

Young Adult* Labor Market Statistic Rates Disaggregated by Race, Sex, School Status and Place of Residence

(Data in Thousands) **

	In Central Cities								Out of Central Cities								ALL			
	In School				Out of School				In School				Out of School							
Black Men	Pop	E/P	LFP	U	Pop	E/P	LFP	U	Pop	E/P	LFP	U	Pop	E/P	LFP	U	Pop	E/P	LFP	U
1964	22	.13	.13	-	290	.79	.90	.13	36	.50	.57	-	266	.88	.98	.10	615	.79	.88	.10
1968	34	.35	.35	0	338	.79	.88	.11	56	.35	.37	.05	290	.82	.90	.08	717	.75	.82	.09
1976	108	.08	.26	.69	458	.60	.86	.30	63	.05	.11	.50	387	.72	.83	.13	1,015	.56	.74	.24
1978	104	.07	.19	.64	500	.65	.87	.25	62	.05	.20	.75	425	.69	.84	.19	1,091	.58	.76	.23
White Men																				
1964	353	.34	.38	.10	1,198	.91	.98	.07	771	.27	.33	.18	2,720	.88	.96	.08	5,042	.76	.83	.09
1968	443	.31	.33	.07	1,195	.86	.91	.06	1,071	.34	.37	.07	2,975	.84	.89	.05	5,684	.71	.75	.06
1976	502	.32	.40	.19	1,721	.82	.93	.13	1,104	.31	.36	.13	4,687	.81	.92	.12	8,014	.71	.81	.12
1978	454	.29	.35	.18	1,847	.84	.93	.10	1,009	.35	.41	.13	4,994	.83	.92	.10	8,303	.75	.83	.10
Black Females																				
1964	38	.34	.34	-	445	.44	.57	.22	26	.10	.19	.55	243	.26	.38	.32	752	.36	.48	.25
1968	39	.10	.12	.16	464	.58	.65	.11	42	.06	.06	-	318	.45	.53	.14	863	.49	.55	.12
1976	109	.09	.14	.35	606	.47	.59	.19	49	.10	.18	.48	449	.51	.65	.22	1,213	.44	.56	.21
1978	120	.15	.24	.36	628	.52	.65	.20	82	.28	.38	.25	474	.57	.69	.17	1,304	.49	.61	.20
White Females																				
1964	156	.23	.32	.14	1,786	.55	.58	.07	353	.28	.32	.13	3,334	.44	.48	.08	5,629	.46	.50	.08
1968	249	.28	.31	.11	1,762	.60	.63	.05	645	.26	.28	.07	4,082	.52	.55	.06	6,738	.51	.54	.05
1976	317	.41	.43	.05	2,042	.65	.73	.10	785	.30	.34	.11	5,058	.60	.68	.11	8,202	.58	.65	.11
1978	338	.30	.35	.09	2,123	.67	.73	.08	817	.33	.37	.11	5,199	.65	.71	.09	8,487	.61	.67	.09

*Persons age 20-24, observations refer.
**Observations refer to March of each year.

Table 8

Impacts of Shifting Residential and School Status for Young Adults
Ages 20-24

	Proportion of Population in Central City	Proportion of Unemployed in Central City	Proportion of Population in School	Proportion of Unemployed in School
Black Males				
1964	.50	.54	.09	0
1978	.55	.64	.15	.11
White Males				
1964	.31	.25	.22	.16
1978	.28	.29	.18	.12
Black Females				
1964	.64	.62	.09	.03
1978	.57	.58	.15	.11
White Females				
1964	.34	.35	.09	.10
1978	.29	.26	.14	.09

Correlates of Black Male Unemployment

In this section, we investigate the correlates of unemployment among black male youth in a more detailed fashion. We begin by dividing black young men into three populations.

1) Ages 16-19, in school

2) Ages 16-19, out of school

3) Ages 20-24, out of school

We then attempt to predict their labor force status at a point in time using a set of variables that might be available from an application form to a jobs program. Specifically, we try to predict whether a person is employed, not in the labor force, or unemployed in March of 1976. The explanatory variables we use are:

- Age;
- Education;
- 1975 per capita income in the person's household (where income is defined to exclude the person's own 1975 earnings);
- Whether or not any of the household income came from public assistance;
- Whether or not the person is the head of his or her own household;
- The weeks worked by the person in 1975;

The purpose of this analysis is to explore the findings of the previous section in more detail. We observed, for example, that when black teenagers and young adults were classified by place of residence, those who lived in central cities did significantly worse than those who lived in other areas. This finding may say something explicitly about employment opportunities in central cities. But alternatively, central cities may be correlated with (and acting as a surrogate for) other factors, for example, less education. By simultaneously examining the impact of a set of independent variables upon employment status, it may be possible to disentangle such surrogate effects from direct effects.

The method of estimation is multi-nomial logit, an estimate which produces probabilities indirectly through pairwise comparisons. Within each population, we define those who are employed in March 1976 as a reference group. The logit estimator then produces two

equations. The first distinguishes between the employed and those not in the labor force; the second distinguishes between the employed and the unemployed. By combining these two equations in an appropriate fashion, it is possible to compute the exact probability that an individual of given characteristics is in each of these three labor market states.

As regards statistical significance, each logit equation can be treated like a regression equation: if a variable achieves statistical significance in a particular equation, that means it is a "good" discriminator between one labor market state and another - e.g., between those employed and those unemployed.

For two reasons, however, it is useful to go beyond an analysis of the coefficients themselves. First, a variable may be a good discriminator and yet the variable may occur relatively infrequently in the population. For purposes of policy, it is necessary to know not only how important a given characteristic is in determining employment status, but also how that characteristic is distributed in the population. Second, several independent variables may be correlated among themselves. In such a situation, the variables as a group may be a good discriminator, but each variable individually will appear to be insignificant because the estimator cannot assign the correlated variable individual, unambiguous impacts. From a structural point of view, this is as it should be: if two variables "always" occur at the same time, their independent effects cannot be ascertained. But for policy purposes, the absence of a complete structure may not totally invalidate the model. If, for example, we know that persons with the most serious employment problems typically have less than a high school degree and typically receive welfare, we may not know which factor is causing unemployment but at least we will have a better idea of the profile of the target population.

For both of these reasons, it is appropriate to take the model one step beyond examining the coefficients and reapply the estimated coefficients to each person in the sample. By doing this, we can calculate the ex ante probability that each individual is employed in March 1976. We can then construct the distribution of these ex ante probabilities for the population and define those with serious labor market problems as those for whom this ex ante probability is below some selected level--e.g., a chance of employment of less than 3 in 10. This distribution of ex ante probabilities will enable us to make two calculations. First, we can estimate the proportion of persons in the population with serious employment problems (as we have defined them). And second, we can see how their characteristics (some of which may be colinear) differ from those of the population at large. While this analysis sounds complex, it actually will help to clarify the nature of the problem, a point that will emerge shortly.

Before proceeding to the estimates, a final word is in order about the independent variables. Notice that most of the variables are more-or-less contemporaneous except one: weeks of work last year. It may be difficult to get an accurate reading on this variable and yet, as we shall see, it is extremely important. A person's success in finding employment is due to many factors. Some are easily observable from an application form: age, education, and so on. But others like motivation, ambition, knowledge of the local labor market, etc., are not so easily observed. Looking at how much a person worked last year is, in effect, a reading on all these unobserved characteristics.

If these unobserved characteristics were unimportant, then we would expect weeks worked last year to be unimportant when compared to education, income, where a person lived, and so on: i.e., weeks worked would be totally determined by these other observable characteristics. In fact, however, the opposite is true. In a statistical sense, weeks worked last year is perhaps the best single predictor of what a person will be doing this year and the power of that prediction remains strong even after we control for the person's observable characteristics.

This result has two complimentary interpretations. First, an apparently homogenous group of young men - young men with the same observable characteristics - can in fact be very heterogeneous and expect very different labor market experiences. Second, the frequent discussions of the short term nature of youth job obscures the fact that unemployment is distributed very unevenly among individuals. Those who worked a great deal last year, cet. par. have a good chance of working this year; those who did not work last year have a poor chance of working this year. The magnitudes of "good" and "poor" will be apparent shortly.

1. In-School Men, Ages 16-19

From a statistical point of view, this is the hardest population to examine. Recall from Table 3 that in 1976, only about 8% of black male, in-school teenagers were employed. In practice, this translates into 35 observations out of a sample of 431. With so few of the population being employed, it is a priori unlikely that many strong discriminators between labor force states exist.

The logit estimates for these in-school teenagers appear in Table 9. While the coefficients are easily judged for statistical significance, interpreting the coefficients' meaning is not easy because we are dealing with three labor market states. For example, if a certain characteristic is negatively associated with unemployment, an individual with that characteristic will be less likely to be unemployed; but this can occur because he is more likely to be employed, or because he is more likely to be out of the labor force, two very different conditions. Correspondingly, one can get a "quick fix" on the impact of a variable (if at all) by looking at its coefficients in both equations simultaneously.

Table 9

Multinomial Logit Estimates of Labor Market States
In March 1976 for In-School Black Male Teenagers
(Asymptotic t Statistics in parentheses)

Variable Name	Not in Labor Force	Unemployed
Apparently left back*,**	.43 (.88)	-.99 (-1.38)
Weeks worked in 1975	-.09 (-7.05)	-.045 (-3.10)
Rotation group = 1 or 5*	-1.14 (-2.64)	-.05 (-1.02)
Live in central city*	- .64 (-1.52)	-.05 (-.09)
Received some income from welfare*	-.45 (-.93)	.22 (.37)
1975 per capita income (excluding individual's own income)	-.00004 (-.81)	-.00002 (-.32)
Ase greater than 17	.49 (1.04)	.77 (1.36)
Constant	4.19 (7.40)	.80 (1.15)

N = 431. Log of likelihood function = -190.78

		Predicted State		
		E	N	U
Actual State	E	12	23	0
	N	7	356	0
	U	1	32	0

*Variable equals 1 if condition is met, 0 otherwise.

**Variable equals 1 when education is less than age minus six years, 0 otherwise.

In the case of Table 9, the "quick fix" is most available for the variable measuring weeks worked in 1975. That variable has statistically significant and negative coefficients in both equations. Thus, the more someone worked in 1975, the less likely he is to be out of the labor force in March 1976, and the less likely he is to be unemployed in March 1976. Together, these results provide an unambiguous conclusion: that weeks worked in 1975 are positively associated with the probability of employment in March 1976.

Table 10 builds upon these estimates to construct the distribution of ex ante probabilities described earlier. Suppose we define someone with serious employment problems as someone who has an ex ante chance of employment in March 1976 of $\hat{p} = .3$ or less. And suppose we define someone with few employment problems as someone with $\hat{p} = .7$ or more. (We will retain these definitions for the balance of this section.) We then can ask the two questions described earlier:

1) How does the size of the group with serious employment problems compare to the size of the group with few employment problems and to the size of the population as a whole?

2) How do the characteristics of the group with serious employment problems compare to the characteristics of the group with few employment problems and to the characteristics of the group as a whole?

As shown in Table 10, the employment position of black male teenagers in school is so poor that there is little to explain. By the definition advanced above - $\hat{p} \leq .3$ - 92% of the sample have serious employment problems and only 3% have few employment problems. The only distinction worth noting between the two groups was a dramatic difference in weeks worked in the previous year. Persons with few employment problems in 1976 had worked an average of 50 weeks in 1975 while persons with serious employment problems worked an average of 2.7 weeks. The strong relationship between previous work and current work is particularly disabling for blacks in school since the average person in the populaton worked only 6.3 weeks during 1975. If, for example, all other variables are set at the sample mean and weeks worked is increased from 6.3 to 26, the persons probability of employment rises from .04 to .17, a significant increase. To be sure, those in this sample who worked large numbers of weeks implicitly demonstrated high motivation and knowledge of the labor market. It is not clear that merely giving somebody a job will cause the person to develop similar attributes. Nonetheless, the relationship between present and future work seems sufficiently plausible and the amount worked by black, male in-school teenagers is so low that emphasis on provision of jobs seems to be called for.

Table 10

Distribution of $\hat{P}$, the Ex ante Probability of Employment in March 1976
For In-School Black Men, age 16-19

Group Name	Size	Proportion of Pop.	Proportion Apparently Left Back	Mean Weeks Worked in 1975	Percent Living In Central City	Percent Receiving Welfare	1975 Per Capita Income (excluding Young Persons' Earnings	Percent With Age >17	Actual Proportion Employed
Population	726,000	100%	.31	6.3	.57	.27	$2,061	.32	.08
$\hat{P} \leq .3$ (Serious Employment Problems)	667,920	92%	.32	2.7	.58	.26	$2,023	.28	.05
$\hat{P} \geq .7$ (Few Employment Problems)	21,780	3%	0	50.4	.63	.30	$2,860	.19	.72

2. Out of School Men, Ages 16-19

Unlike in-school teenagers, the sample of out-of-school teenagers contains substantial variation and so we may reasonably expect better predictors of labor force status. Of the 201 observations, 104 were employed in March 1976, 46 were not in the labor force, and 51 were unemployed. The results of the logit estimation are contained in Table 11. Again, weeks worked in the previous year is a strong predictor of being currently employed: i.e., of being in the labor force and of not being unemployed. In addition, being out of the labor force is negatively related to having received welfare in the previous year. Being unemployed is positively related to having received welfare, living in a central city, and having less than a high school education, being 18 or 19, and negatively related to being a household head.

These results are aggregated and summarized in Table 12 which contains the ex ante distribution of $\hat{p}$ for this group. Here a fairly clear picture emerges. The number of persons meeting our definition of serious employment problems - $\hat{p} \leq .3$ - totals 111,000, about 1/3 of the entire sample. As the table shows, these 111,000 differ from both the rest of the sample (including, of course, persons with few employment problems) in systematic ways. More than 8 out of ten lack a high school diploma, twice the proportion in the rest of the sample. More than 7 out of ten live in central cities, compared to 4 out of ten for the rest of the sample. About 40% are in households who report receiving welfare compared to 20% for the rest of the sample. And again the biggest discriminator is previous weeks worked: those with serious employment problems reported an average of one-half of one week (sic) worked in 1975 compared to 26 weeks worked for the rest of the sample.

These results should be regarded as correlates rather than strict causes. For example, does the receipt of welfare cause young men to remain out of the labor force, or do people with limited ability to find jobs end up on welfare? Nothing in our analysis gives an answer one way or the other. But the analysis does say that the combination of living in a city, being a high school dropout, having a weak recent work history and in many cases, receiving public assistance is a dangerous combination; it describes something close to 1/3 of black male teenagers who are out of school, and those who are in such a situation one year are unlikely to turn the situation around in the next.

Table 11

Multinomial Logit Estimates of Labor Market Status in March 1976
For Out-Of-School Black Male Teenagers, Age 16-19
(Asymptotic t Statistics in parentheses)

	Not in Labor Force	Unemployed
Less than 12 years of education	.104 (.23)	1.32 (3.07)
Weeks worked in 1975	-.13 (-4.94)	-.04 (-4.10)
Rotation group = 1 or 5	.51 (1.02)	.40 (.88)
Lives in central city	.19 (.48)	.58 (1.55)
Received some income from welfare	-.68 (-1.44)	.59 (1.38)
1975 per capita income	-.0002 (1.18)	-.00005 (-.34)
Age greater than 17	0.53 (-1.15)	.79 (1.83)
Head of own household	-25.03) (-.0002)	-1.71 (-1.58)
Constant	1.28 (1.86)	-1.75 (-2.61)

N = 201 Log of Likelihood function = -154.58

		Predicted Values		
		E	N	U
Actual Values	E	81	13	10
	N	9	30	7
	U	19	10	22

TABLE 12

Distribution of $\hat{P}$, the Ex ante Probability of Employment in March 1976 for Out-of-School Black Men, Age 16-19

Group Name	Size	Proportion of Pop.	Percent with Less than High School Education	Mean Weeks Worked in 1975	Percent Living in Central City	Percent in Household Receiving Welfare in 1975	Per capita 1975 Income (excluding Person's own Earnings)	Percent With Age ≥17	Proportion Actually Employed March 1976
Population	347,000	100%	.57	17.9	.54	.31	$1,747	.72	.52
$\hat{P} \leq .3$	111,000	32%	.84	.5	.71	.46	1,457	.59	.21
$PP \geq .7$	121,000	35%	.34	39.8	.50	.11	1,945	.85	.89

3. Out-of-School Men, Ages 20-24

Table 13 contains the logit results for out of school men, ages 20-24. This group, like the out of school 16-19 year olds shows substantial variation: 288 employed, 72 not in the labor force and 82 unemployed. Correspondingly, it is reasonable to expect a set of strong discriminators among labor market states.

The pattern of coefficients in Table 12 resembles the coefficients for 16-19 year olds in Table 11. Being not in the labor force depends strongly and negatively upon weeks worked in 1975. It depends weakly and negatively on years of education and a central city residence, and depends positively on living in a household that received some of its 1975 income from welfare. Being unemployed is strongly negatively related to weeks worked in 1975, weakly negatively related to being a household head, and positively related to living in a central city and living in a household where welfare was received in 1975.

These results are aggregated and summarized in Table 14 which contains the ex ante distribution of $\hat{p}$ for this group. To interpret these results, it is useful to think of out-of-school 20-24 year olds as comprising two groups: the first are people who were already out-of-school by the time they were 19 (including those who were high school dropouts). The other are persons who were in school until they were 19 or older and only enter the fulltime labor market in their twenties. Correspondingly, when we see lower unemployment rates for out-of-school young men ages 20-24 than for out-of-school young men ages 16-19, there are two interpretations. The first is that all persons, including high school dropouts, are more mature in their early twenties than they are in their teens and so they are better able to find jobs. Alternatively, the lower unemployment rate for 20-24 year olds could represent an average over two groups: high school dropouts who continue to experience high unemployment, and people with more education who experience low unemployment (and who were in school and out of the labor force until their late teens or early twenties). In the first case, 20-24 year olds with serious employment problems (if such persons exist) have no particular relationship to 16-19 year olds with serious employment problems. In the second case, 20-24 year olds with serious employment problems are the same people who had serious employment problems (and were out-of-school) when they were 16-19.

A comparison between Tables 12 and 14 seems to suggest the first case--at least some of the people with serious problems change over time. The key to this comparison is education, a variable to which we shall return shortly.

Table 13

Multinomial Logit Estimation of Labor Market Status in March 1976 for Out-of-School Black Male Young Adults, Ages 20-24 (Asymptotic t Statistics in Parentheses)

Variable Name	Not in Labor Force	Unemployed
Years of Education	-.07 (-1.10)	.04 (.54)
Weeks worked in 1975	-.07 (-8.70)	-.04 (-6.50)
Rotation group = 1 or 5	.04 (.11)	.31 (1.03)
Lives in Central City	-.38 (-1.18)	.99 (3.28)
Received some income from welfare	.74 (1.71)	.97 (2.60)
1975 Percapita Income (excluding individuals own earnings)	-.00004 (-.37)	-.000003 (-.03)
Person is a Household Head	-.37 (-.98)	-.40 (-1.20)
Constant	1.61 (1.91)	-.97 (-1.10)

N = 447. Log of likelihood function = -316.9

		Predicted State		
		E	N	U
Actual State	E	258	15	15
	N	22	32	18
	U	51	7	29

Note first that there are a number of similarities between the two groups. In Table 12, persons with serious employment problems--$\hat{p}$=3--totalled 111,000. In Table 14, the corresponding group totals 127,000. The groups become even closer in size when it is recognized that the 20-24 year old cohort represents five years while the 16-19 year old cohort represents only 4. A priori, there is no reason to expect these two "tails of distribution" should be so close in size.

Moreover, most characteristics of the two groups are equivalent. Seventy-two percent of the 20-24 year olds and 71 percent of the 16-19 year olds lived in central cities. Thirty-eight percent of the 20-24 year olds and 46 percent of the 16-19 year olds live in households that received at least some income from welfare in the preceding year. The 20-24 year olds with serious employment problems worked .9 weeks in 1975 while the 16-19 year olds worked an average of .6 weeks in the preceding year. These figures are not only similar to each other but they both differ in the same large ways from the remainder of their respective populations.

Another similarity worth noting is whether or not a person is a head of household. Among all out-of-school 20-24 year old black males, 48 percent are household heads. But among those with serious employment problems, only 8 percent are household heads. This lack of household heads provides another similarity to 16-19 year olds.

At the same time, however, those with serious unemployment problems in Table 12 and Table 14 differ sharply in their levels of education. In Table 12, 84 percent of 16-19 year olds with serious unemployment problems had less than a high school education. In Table 14, 33 percent of 20-24 year olds with serious unemployment problems had less than a high school education. In reviewing these proportions, recall that each group contained about 110-120,000 persons.

More generally, while education is a strong predictor of employment status for 16-19 year olds, it is only a weak predictor of employment status for 20-24 year olds. This is shown in Table 14 by the fact that persons with serious employment problems, persons with few employment problems ($p \geq .7$), and persons in the population as a whole each have a high school diploma about 70 percent of the time.

The figures in Tables 12 and 14 are based on two, separate sets of people observed at the same point in time. No matter what the numbers said, they could not "prove" that 16-19 year-olds with problems automatically became 20-24 year olds with problems.

TABLE 14

DISTRIBUTION OF $\hat{P}$, the EX ANTE PROBABILITY

of EMPLOYMENT in MARCH 1976

FOR OUT-OF-SCHOOL BLACK MEN, AGE 20-24

Group Name	Size	Proportion of Pop.	Mean Years of Education	Percent Less Than High School*	Mean Weeks Worked in 1975	Percent Living In Central City	Percent Receiving Welfare in 1975	Per Capita 1975 Income	Percent Who Were Their Own Household	Percent Actually Employed
Population	843,000	100%	11.8	(.39)	32.3	.55	.15	1629	.61	.64
$\hat{P}<.3$	127,000	15%	11.2	(.33)	.9	.72	.38	1783	.08	.25
$\hat{P}>.7$	456,000	54%	11.9	(.27)	49.3	.44	.07	1683	.44	.83

*In these equations the individual's actual years of education performed better than whether or not the person had a high school degree. While both variables are tabulated here, the second was not actually used in the final equation.

In this case, the numbers not only fail to suggest such a continuation but they suggest something closer to the opposite: that a fair proportion of high school dropouts become employed while some number of high school graduates start to experience employment problems. Teenagers and young adults with serious employment problems are similar in other respects: they live disproportionately in cities, they live disproportionately in families that receive welfare, they have startling low recent work histories. But they dc not appear to be overwhelmingly "the same people".

Conclusions

Everyone loves a paper with a simple ending. Unfortunatley, this is not such a paper for it presents a somewhat conflicting picture. We saw that over the last 15 years, the largest single change in teenage unemployment rates has been the deteriorating position of black males and that this, in turn, is a reflection of the rise of unemployment rates for those in school. These rising unemployment rates have increased far in excess of any changes in enrollment rates or student labor force participation rates. They are sufficiently large so that today, 6 out of every ten unemployed teenage black males are in school, a proportion double that of fifteen years ago.

It would be nice to say that these rates are somehow irrelevant: that when such teenagers move into the adult labor market with a high school degree, their unemployment rates automatically drop. Were this to be the case, a logical corollary would be the need to focus labor market policies on high school dropouts. Unfortunately, however, the data--at least for 1976--do not cooperate.

The data show that for 16-19 year old black males out-of-school, about 110,000--a third of the cohort--have extremely serious employment problems with probabilities of employment less than .3. This group, as might be expected, is characterized by an extremely high proportion--84 percent--of high school dropouts. The data also show that for 20-24 year olds, about 130,000--a seventh of the cohort--have an equally low probability of employment. But the proportion of this group without a high school degree--about 33 percent--is not much different than the corresponding proportion for all black male 20-24 year olds. Simply put, education is not a good predictor of labor market status when other variables are controlled.

What are these other variables? In both groups, living in a central city, and coming from a family (where the individual is not the head) that receives public assistance are both predictors of labor market difficulties. But the strongest predictor is a person's recent work history. When all other factors are controlled, those who have not worked much in the last year are very unlikely to be working now. Thus, despite discussions of rapid turnover in the teenage and young adult labor market it appears that black youth unemployment is, in fact, concentrated on a certain group of individuals whose composition changes only slowly over time. Nonetheless, the composition of the group does change. Predicting in advance which high school dropouts will eventually do well is an important question. But even more important, is the need to predict which high school graduates will do badly. This is the key issue for the appropriate focusing of employment program resources.

PROFILE OF THE LABOR MARKET:

YOUNG WOMEN AND WORK

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Facts and Figures on Young Women and Work

- One out of every 12 persons in the civilian population of the United States is a young woman between 16-24 years of age.

- Today nearly 43 million women 16 years and over are in the U.S. labor force, representing more than 40 percent of the country's entire labor force. Nearly one of every four of these women workers, or 11.6 million, are between ages 16-24.

- About seven out of ten young adult women (20-24) are now in the labor force. Exactly 55 percent of all teenage girls are in today's labor force, about a five percentage point increase since 1975. The proportion has been continually rising a percentage point or two annually. Although Over the past 10 years, the number of teenage women in the labor force has increased nearly 3 times as fast as the teenage population. Most of these young women are employed, but some 655,000 are looking for work. At 9.5 percent, their unemployment rate has fallen over three percentage points since 1975, but remains very nearly double the current rate of 4.9 percent for women 25 years and over. Although the number of teenage unemployed (666,000) is about the same as for young adult women, the teenage unemployment rate (14.8 percent) was substantially higher.

- The unemployment rate for black teenage girls has remained more than three times that of the white teenagers. Black teenage women have consistently fared worse than other groups of teens. Although the rate for women in their early twenties was lower, the black-white differential was of similar magnitude. For 16-24-year-old Hispanic women, the unemployment rate was more than double that for whites.

- Recent figures on school enrollment indicate the severe labor market consequences attached to dropping out of school. An estimated 350,000 young women (16-24) have dropped out of high school before graduating. Over half of them were 16 and 17-years old. The unemployment rate for the dropouts is double the rate for graduates. The lack of formal education is carried ouver and reflected in higher unemployment rates throughout a women's entire worklife.

- Young women have much more restricted occupational choices than young men. More than seven out of ten employed 16-to-19-year-old women held clerical or service jobs in 1977. Women ages 16 and 17 are more apt to be employed in service occupations than those ages 18 and 19. Nearly two-thirds of women ages 20 to 24 are white-collar workers. One in seven held professional technical jobs, and two-fifths were clerical workers.

- Part-time status and concentration in service occupations are reflected in low earnings for teenage women students. In May 1978, the median weekly earnings of young women was $39. Males students earned more than their female counterparts, with median weekly earning of $52. Among teenagers not in school, young women had median weekly earnings of $104 in May 1978, compared with $117 for the young men.

- Among persons 20-24, the male-female earnings differential is substantial. The usual median weekly earnings for those ages 20 and 21 were somewhat lower, about $120, while those of women were significantly higher, about $146. In contrast, young adult men had higher median weekly earnings of $188; the median for men ages 20 and 21 was $161; and for men ages 20 to 24, $207.

- It is estimated that the average period of unemployment of young women ages 16 to 24 seeking work is slightly less than 9 weeks, as compared to 10 weeks for young men.

Social Demography

A major factor underlying the employment problems of young women is childbirth. A fifth of all babies in the United States are born to teenage mothers. Half of all out-of-wedlock births occurred to teens. In 1975, despite the declining fertility rates among older women, births by unmarried girls in their early teens are rising rapidly.

Kirstin A. Moore, in testimony on the Economic Consequences of Teenage Childbearing before the U.S. House of Repesentatives Select Committee on Population in 1978, and other authorities on early childbrith, verify that the losses associated with teen pregnancy and early childbearing are important and have long-lasting consequences. Data validates that young women usually experience more frequent marital

instability, work less, are employed at lower paying jobs, are more likely to experience poverty, have lower educational attainment, and have a higher probability of requiring public assistance.

While young women face discrimination on the basis of age and sex, young minority women are additionally burdened by discrimination because of race, ethnicity and national origin. The young minority woman share with all young women basic needs that cut across race-ethnic lines, yet she has distinctive needs, approaches, and priorities. The young minority woman's world, culture, values and sometimes language, do not always parallel those of young women of the majority society. As diverse as Hispanic, black, native and Asian American women are from one another, they nevertheless confront such common issues as employment discrimination, educational inequity, inaccurate data profiles, and the lack of relevant social services programs.

Employment discrimination, unemployment and low incomes are major factors in most minority women's lives. Based on preliminary statistics, larger numbers of minority women are classified as "poor," have lower educational attainment, are female heads of households, and have less access to information. While young women, regardless of race or ethnicity, earn less than white, black or Spanish-origin men, minority women--specifically black teenage women--have consistently fared worse and are particularly disadvantaged in the labor force.

Specifically, the young black female suffers from one of the highest unemployment rates, highest dropout rates, and encounters great difficulty in finding employment, often facing triple discrimination on the basis of sex, race, and age. If she is also poor, she usually assumes family responsibilities at a far earlier age than her middle class counterparts. She maintains the home and family in order to free her mother to work outside the home. She is socialized into womanhood at a faster rate than many of her non-black peers, and is often preoccupied with issues of survival. At an early age, she develops a sense of responsibility and a high level of self-reliance, as well as an ambition to find paid employment. However, the young black woman who expects and wants to work for most of her life is faced with a particularly debilitating situation when looking for work.

Another important dimension is that minority teenagers often figure significantly as wage-earners--in approximately one in five low-income black families with more than one wage earner and in two out of three families with females heads. Thus, work may be a matter of survival for minority teenagers, as well as a useful socialization experience.

The picture is equally dismal for young Hispanic women. The stereotype of women in general, and especially of Hispanic women, is that of a thoroughly domestic housewife/mother who does not work outside the home. The reality is quite a contrast. The 1973 census found that women were head of a fourth of Mexican-American households and a sixth of "other Spanish heritage" households. It is safe to say that those women are for the most part grossly underpaid and underemployed and that many of those who are not employed are conducting a fruitless search for paid employment. Similar problems exist for young Indian women.

Programs for Young Women

The Comprehensive Employment and Training Act (CETA) is the government's major response to the unemployed, underemployed, and disadvantaged--including young women. Because CETA programs are so numerous and so decentralized, pulling together data on programs for women--especially young women--is difficult, if not virtually impossible. The Women's Bureau, with the assistance of the Employment and Training Administration (ETA), has made a good beginning, and has recently complied an index, titled "CETA Programs for Women," which is part of the Bureau's effort to describe model employment and training programs for women.

In 1977, ETA's Office of National Programs set aside some 20 million dollars under Title III for a program titled "National Programs for Selected Population Segments." Target groups selected for demonstration projects included: women and youth, the handicapped, older workers, rural workers, and ex-offenders. A report has been issued summarizing these 82 programs, of which 26 were targeted for women. A report has also been developed on 12 in-depth case studies of exemplary projects, including a manual which prime sponsors may use to replicate successful programs.

The CETA Reauthorization, 1978, made significant progress towards recognizing the problems of young women and employment. A few changes of particular significance include:

- o Artificial barriers definition expanded and sex role stereotyping prohibited.
- o "Women" defined as a significant segment of the population for targeting allocations.
- o "Agencies serving women" included in definition of Community-Based Organizations (CBO).
- o "Appropriate Women's Organizations" included among CBO's to receive written notification of availability for review of Comprehensive Employment and Training plans.
- o Inclusion of "Women and Minorities," among subgroups eligible for preference under YETP programs described in subpart A of part 680.
- o Prime sponsors must describe the eligible population by race, sex, national origin and age, indicating planned levels of service to be provided these groups in terms of the proportions they will constitute of the total population to be served.
- o Minorities and women are identified as subgroups of the population who are frequently locked into low-paying and deadend occupations and in need of upgrading and retraining.
- o References to all equal opportunity laws and regulations, including the Civil Rights Act of 1964, as amended, and the Uniform Guidelines on Employee Selection Procuedures.
- o Greater participation of women and youth required on State and local Employment and Training Planing Councils, Youth Councils and Private Industry Councils.

The Job Corps--directly affects young women. Activities are underway to more than double the enrollment in Job Corps and to redesign the curriculum to accomplish greater diversity of employment and occupational choice for young women and broaden supportive services, e.g., the SOLO Parent Program.

The CETA titles that aim most directly at young women are those added by the Youth Employment and Demonstration Projects Act (YEDPA) of 1977.

The Women's Bureau has been concerned for some time about the lack of youth programs targeted specifically for young women and girls. In response to this concern, one million dollars has been allocated by ETA's Office of Youth Programs (OYP) to participate in the Urban School-To-Work Transition Program. These programs incorporate emphasis on preparation for jobs outside the classic/traditional tracks for girls and women. The five urban projects operate in Philadelphia; Atlanta; Dallas; Portland, Oregon; and Mason City, Iowa. The programs explore the effects of the support of community-based organizations in facilitating the school-to-work transition of girls and women.

Aside from the Women's Bureau projects, little is known about the extent to which YEDPA will affect young women. Indeed, numerous advocates for women organizations, in pointing out the Act's silence on young women, note that neither the Act itself nor OYP's Knowledge Development Plan focus on the special economic problems of young women entering the labor market. The only group of young women included as a segment for focused attention includes pregnant teenagers or parents.

The Women's Bureau Consultations on Special Needs of Minority Girls and the Women's Bureau Conference on Young Women and Employment cosponsored by ETA/OYP, are unique contributions. The school-to-work projects are a beginning. The Women's Bureau hopes to pursue these and other demonstration projects in order to focus on specific components to determine how each can be improved and to broaden the information based on young women and employment for public policymaking.

The Employment and Training Administration, because of the nature of its programs, maintains the "Office of the Special Assistant, Women's Issues" to coordinate agency action on behalf of women, minority and special worker groups. The Office acts with broad responsibility to assist the Assistant Secretary, ETA, in policy and program development, implementation of work plans, programmatic and legislative strategy, community outreach, and the identification and coordination of resources for target groups.

In addition to resources of the Department of Labor, the U.S. Office of Education also sponsors several women's activities relating to school-to-work transition. Most of these activities are aimed at reducing sex role sterotypes and moving women into nontraditional studies.

The Office of Education's major effort in this direction is the Women's Education Equity Act Program, a "model-building" program that covers everything from pre-school to adult education, and that will award grants of $8 million in FY '78 (out of a department budget of $9.3 billion). The program's 1977 Second Annual Report shows that 22 of its large "general grants" went to post-secondary education for women, and only 14 to secondary schools that have a large population. While adult women were a target of its grants, teenagers and young women were not. More grants went to the "development of educational materials" and to teacher training than to any other activity.

In another section of the Office of Education, the Bureau of Occupational and Adult Education provides some materials and training for so-called "Offices of Women" that have been set up in all State vocational education programs to help enforce anti-discrimination laws in vocational education.

The National Institute of Education, the Federal research arm for education, has launched some innovative women's activities, including the creation of a television series to combat job stereotypes, assist in efforts to enroll more females in math courses, and the creation of a national commission on working women, addressed mainly to blue-collar women. A major and highly innovative NIE program, the Experience-Based Career Education Demonstration Projects offers students work internships in the community and in so doing helps to enlarge the work experience of young women.

The Future

The Bureau of Labor Statistics, in its recent labor force projections, indicates that between 1975 and 1978 nearly 12 million women will be added to the labor force. By 1990, over 50 million women are projected to be in the labor force, somewhat more than 1 of every 2 in the population 16-years-old and over. In their future working lives today's teenaged women will face a changing labor market, new work patterns for women, a decrease in family size; an increasing number of female-headed families, and a greater likelihood of full-time rather than part-time employment.

To meet the needs of young women in the 1980's, the following issues must be addressed:

- o A closer examination of labor market procedures, industry structure and skill requirements that act as artificial barriers to employment and training such as age, parental status, licensing and credentials, requirements, criminal record, lack of day care, and work schedules.
- o A better articulation between homelife and the work place and greater accommodations by employers and institutions of all kinds through alternative work schedules.
- o Early career counseling and job training that includes field observation and OJT.
- o Increased enforcement of anti-discrimination laws including review of sex/race discrimination, occupational segregation and earnings and promotion differentation and special needs of minority and rural women.
- o Increased research on the labor market needs of young women.
- o Experimental models on young women and work and data to support funding.
- o Recognition of volunteer work.
- o Expansion of the apprenticeship system.
- o Greater linkages among public and private community organizations providing services for pregnant adolescents and adolescent parents.
- o Development of services to prevent initial and repeat adolescent pregancies.
- o Better pre-school and after-school child care for young women with children.
- o Community alternatives and closer coordination among agencies providing services for girls and young women facing delinquency offender problems.
- o Within junvenile institutions vocational counseling and training that is consistent with the demands of the labor markest, i.e., nontraditional jobs.
- o Increased attention to mastery of basic skills.

- o A review of occupational segregation by sex and race.
- o Greater sensitivity by career counselors and guidance counselors to sex-role stereotyping.
- o Greater emphasis on the participation of parents in career choice exercise.
- o Increased attention to programs that stress wider choice and greater self-determination through emphasis on performance-learning as well as academic learning.
- o Greater emphasis on peer counseling; family, private and life planning; and referral for housing, consumer, health, and advocacy-oriented assistance.
- o Alternative counseling programs to raise sex-role consciousness of both counselors and clients and use of non-sexist curricular materials.
- o Development of high-quality state certification standards and support courses in sex-fair and racially fair counseling techniques for certification.
- o Support in service training for counselors/teachers/school administration employed at all levels to:

  a. retrain counselors/educators concerning changing roles of young women and men in the family and in the larger society;

  b. combat incorrect assumtions regarding women and careers;

  c. provide information on the implications of sex role research to combat sex sterotypic attitudes;

  d. counteract sex bias in every counseling tool, including evaluation instruments, career brochures, college catalogs.

Youth Employment Policies: An Hispanic Perspective

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The Needs of Hispanic Youth

Manpower policies in the late seventies are focused on youth. In FY 1979, programs to ameliorate the youth employment situation will total approximately 2.2 billion dollars. In contrast, manpower policies during the sixties and early seventies focused on the displaced older worker, minority workers, prime age males, and only secondarily, young workers. The current policy concern with youth is understandable when one recognizes that teenagers in 1977 represented a fourth of the unemployment but only 10 percent of the labor force. Moreover, the severity of the youth employment problem varies by race, ethnicity, and sex. On the whole, black and Hispanic youths between the age of 16 and 24 years have substantially higher unemployment rates than whites. Approximately one out of every five Hispanic youth cannot find employment. (Table 1.) Puerto Rican youth are particularly affected, and their unemployment rate approaches that of black youth. Among Puerto Rican youth, one in every four are unemployed.

The wide variation of unemployment among the different youth groups mandates that several approaches to the youth problem be developed. Specifically, the development of youth employment policies to improve the job prospects of young workers should incorporate these differences. Given the national concern with youth unemployment and the proliferation of youth programs, it is imperative to recognize that certain policies and programs are appropriate for certain youth groups, but not others. In particular, special attention should be given to the unique problems encountered by Hispanic youth in the labor market. The relatively younger median age of the Hispanic population, the higher proportion of young persons in the labor force, and unique characteristics of the population warrant the development of specific employment policies to address their problems.

A lack of awareness of the general socioeconomic problems of Hispanic youth as well as all Hispanic workers is not uncommon among policy makers. Few public data sources on Hispanic workers are available. Many believe, incorrectly, that Hispanics are a regional problem and not a national one. It is a conventional wisdom that Hispanic problems are mostly those of immigrants and will fade with assimilation. A cursory analysis of available data would dispel those views. By any economic yardstick -- earnings, weeks worked, hours worked, distribution of higher paying jobs -- Hispanics lag behind the general population and have not been able to close the gap. Moreover, the Hispanic population is growing very rapidly, and their socio-economic problems are receiving national attention. As evidence of the population growth, the non-Hispanic population grew by 3.3 percent in a five year period from 1973, but the Hispanic population grew by nearly 14 percent. The rapid population growth accounts not only for the lower median age of Hispanics -- Puerto Rican 20 years, Mexican 21 years, compared with 30 years for non-Hispanics--but also explains

Table 1

Unemployment Rates, by Age, Sex
For White and Hispanic Groups, March 1976

Sex and age	All Persons	Hispanic				Black	White
		Total	Mexican American	Puerto Rican	Other		
Both Sexes, 61 years or over	8.1	11.4	11.8	14.0	9.4	13.9	7.4
16 to 24 years	15.5	19.4	20.1	25.4	14.3	28.1	14.1
25 to 44 years	6.3	9.0	9.6	10.9	6.8	10.4	5.8
45 to 64 years	5.1	7.4	5.8	8.9	9.5	8.1	4.8
65 years or over	6.7	([1])	([1])	([1])	([1])	7.3	6.5
Men, 16 years or over	7.8	10.7	10.5	14.2	9.5	14.6	7.2
16 to 24 years	16.2	20.5	20.5	([1])	17.6	28.1	15.0
25 to 44 years	5.8	7.6	7.3	11.4	6.3	10.6	5.3
45 to 64 years	5.0	6.8	5.3	([1])	8.7	10.3	4.6
65 years or over	7.3	([1])	([1])	([1])	([1])	8.6	7.0
Women, 16 years or over	8.5	12.5	14.0	14.0	9.3	13.1	7.9
16 to 24 years	14.7	18.0	19.3	19.3	10.7	28.1	13.1
25 to 44 years	7.2	11.2	13.5	13.5	7.5	10.1	6.7
45 to 64 years	5.1	8.4	7.0	7.0	10.6	5.7	5.0
65 years or over	5.6	([1])	([1])	([1])	([1])	5.9	5.5

[1]Rate not shown because base of percentage (labor force) is less than 75,000.

Source: U.S. Department of Labor, Bureau of Labor Statistics, unpublished Current Population Survey tabulations, March 1976. Table reproduced from U.S. Department of Labor Workers of Spanish Origin, p. 61.

why Hispanic tend to be young workers. In a very real sense, the employment problems of all Hispanics have a significant youth dimension:

1. Persons between the ages of 16 and 24 years comprise about 26 percent of the total Hispanic labor force, but they represented nearly 45 percent of all unemployed Hispanics.

2. Hispanic teenagers, 16-19 years of age, of Mexican origin, Cuban, or other Hispanic origin, have generally increased their overall labor force participation since 1970. Approximately half of these Hispanic teenagers were in the labor force in 1977,but their participation rate was about five percent less than all teenagers.

3. Mexican origin young men age 16 to 24 have the highest labor force participation rate of any males -- 72 percent in 1977 versus 55 percent for black, and 71 percent for all whites.

4. Puerto Rican teenagers have the lowest labor force participation rate in 1977 of any Hispanic teenage group -- 30 percent versus 50 percent for the other Hispanic groups. Less than half of young Puerto Rican males age 16 to 24 are in the labor force; less than three in ten are working or looking for work. It has been suggested that the significant concentration of Puerto Ricans in declining industries and occupations within New York City is a possible explanation for these low participation rates.

5. Puerto Rican teenagers also have the highest unemployment rate of any Hispanic teenage group. For example, in 1977, Hispanic teenagers had an unemployment rate of 22.8 percent in comparison to 17.7 percent for all teenagers. However, Puerto Rican teenagers had an unemployment rate of 29.7 percent.

6. The earnings differential between white and Hispanic workers is paradoxically the lowest during the early years in the work force. The ratio of Hispanic earnings to white earnings actually declines with age. (Table 2.) Interestingly, Puerto Rican teenage females, who have the lowest labor force participation rate of any group and very high unemployment rates, actually have median earnings which exceeded the white median earnings. Regional differences may explain this phenomena for Puerto Rican females since New York City is generally a high wage area. As a further note, Mexican origin workers lag behind white workers median earnings by as much as 35 percent. Again, the regional differences may explain the situation since the majority of chicano workers are concentrated in the Southwest and border areas, characterized by low wages.

Table 2

Ratios of Selected Hispanic Earnings to White Median Earnings in 1969 by Sex and Age

Sex and Age	Mexican	Puerto Rican	Cuban
Male	.65	.78	.82
14-19	.79	.92	1.01
20-24	.77	.89	1.00
25-29	.75	.72	.84
30-34	.72	.68	.75
35-39	.71	.64	.67
40-44	.69	.66	.66
45-49	.68	.66	.63
50-54	.68	.70	.63
55-59	.76	.68	.62
60-64	.67	.72	.63
65-69	.58	1.01	.77
Female	.72	.97	.91
14-19	.61	1.14	1.04
20-24	.73	1.00	.90
25-29	.72	.95	.86
30-34	.86	1.01	.98
35-39	.85	1.11	1.01
40-44	.77	.99	.93
45-49	.74	.94	.83
50-54	.68	.99	.81
55-59	.60	.83	.75
60-64	.57	.81	.78
65-69	.62	1.34	.60

Source: Data extracted and reproduced from Table 6.05 in George L. Wilber, et. al., Spanish Americans and Indians in the Labor Market, Vol. I. Lexington, Kentucky: University of Kentucky, 1975.

Employment Policy Goals

A variety of policy goals could be specified for alleviating the problems of unemployed youth. For example, should employment policies be designed to provide income support, reduce the number of school drop-outs, reduce crime, develop positive work-experience, or provide training for career development? Which types of employment strategy will yield the highest return to the young Hispanic worker in the long run?

The specification of employment goals is too important an issue to be decided solely by policy makers or social science researchers. Indeed, Hispanic youth should have an important role in this decision. For example, what types of jobs do they want or refuse to take under most circumstances? Do Hispanic youth use their income for their personal consumption (e.g., stereos, automobiles) or is their income a crucial supplement to total family income? Unfortunately, there is not much insight into these issues. As research increases and the data base on Hispanic workers widens, it will be worthwhile to explore these issues in detail. Despite the lack of a clear consensus of which types of employment policies are the most effective and desired ones, there is still a need to explore a wide range of labor market policies which would at least eliminate a substantial portion of the difficulties encountered by young Hispanics in the work force.

A variety of policies have been advocated to address these unique aspects of the youth labor market. In particular, policies to increase youth employment can be classified for general discussion purposes into the following categories: (1) A market approach, e.g., lowering the minimum wage rate, reducing certain age restrictions in hiring and other restrictions which unnecessarily protect young workers, reducing the job competition from illegal aliens by strict enforcement of immigration laws, (2) the human capital approach, e.g., upgrading and training properly young workers, improving job search techniques, and increasing educational levels, (3) the affirmative action approach, e.g., strict enforcement of antidiscrimination against minorities, especially young workers, development of special programs to recruit and train young minority workers, and (4) special youth characteristics approach, e.g., programs or policies that reflect the unique youth culture such as gangs, illegal market and overall attitudes toward employment.

The Market Approach

Market oriented policies reduce employment difficulties encountered by young persons through such efforts as maintaining a high level of aggregate demand, altering the minimum wage structures, relaxing restrictive youth employment practices such as age requirements, or stemming job competition from illegal aliens. The impact of these approaches on Hispanic youth employment is questionable and certainly not uniform. For example, a strict reliance on the aggregate demand approach will not effectively

reach the segmented and isolated labor markets, present in urban barrios or rural Southwest communities. Favorable market forces do ease the job finding process for Hispanic youth, but the presence of isolated labor markets, discrimination, and lack of skills weakens the benefits.

Substantial debate has also centered on the impact of minimum wages on youth employment. However, research findings in this area are not uniform, with pro's and con's on both sides of the issues. In the case of Hispanics, the minimum wage issue cannot "piggy-back" on the findings done on white and black youth. Most research in this area has concentrated on labor markets where the minimum wage is well below the prevailing market rate. Specific research is needed in areas such as South Texas where the minimum wage is the prevailing market rate.

In the case of chicano's, the minimum wage issue has historically been a sensitive one. In 1938, the Fair Labor Standard Act enacted a 25 cent an hour minimum wage, well above the eight cent an hour wage chicano pecan shellers in San Antonio were receiving.[3] For many chicanos in Texas and other Southwestern states, the presence of a minimum wage is the only defense against depressed wages in the free market.

Moreover, increases in the minimum wage during various periods over the last 20 years represent to many chicano workers the only pay hikes during their employment. For instance, from 1963 to 1974, the national minimum wage was increased from $1.60 to $2.00. For workers employed in low paying jobs covered by minimum wage provision, a forty cent increase over a period of six years represented their entire pay hike.[4] In changing minimum wage provisions to accomodate younger workers in general, (and its effect is questionable), caution must be exercised because prime age Hispanic workers stand to suffer substantially.

There are many institutional practices which hinder employment opportunities for young persons. Federal regulation and state laws in particular restrict certain occupations deemed hazardous to youth. For example, children are prohibited by law to engage in farm work during the school year. Other provisions such as licensing laws may specify a minimum age, educational level, U.S. citizenship, apprenticeship experience, English competency, skill competency, and good moral character before one is allowed to practice a trade, profession, or skilled craft. In many cases, these provisions are not intended to protect the public interest, but restrict competition and protect the professional trade. Minority youth and in particular Hispanic youth are at times prevented from entering certain licensed occupations through high legal entry barriers.

Another market policy approach focuses on the economic push-pull forces that bring Hispanic illegal immigrants from countries such as Mexico, the Caribbean Islands, and other Latin American countries. A common theme in this approach is strict enforcement of immigration laws and the passage of stiff penalties to employers for hiring illegal aliens. Illegal aliens are said to work "hard and scared" and they compete with youth for low paying jobs. In a simplistic supply and demand framework, it is contended that the problems of Hispanics will not disappear until illegal aliens do.

Despite the calls for "border fencing," few studies have been able to document the number of illegal aliens or specifically investigate their impact on the youth labor market. To be sure, available data do indicate illegal aliens to be young and concentrated in urban areas. Most are employed in low wage and low status jobs, but do not receive welfare assistance.[5] One study in a Southwest labor market found that illegal aliens take the dirty and dangerous jobs that nobody else wants.[6] Moreover, the secondary labor market is not monolithic or entirely homogeneous. It is hypothesized there is a rigid occupational hierarchy of jobs with minimal competition between certain groups such as women, minorities, youth, and illegal aliens. In the case of youth, they take the better jobs and illegal aliens take the worse jobs.

Advocates of strict immigration policies with an objective of increasing youth employment opportunities should recognize the possibility of an occupational hierarchy of jobs in secondary labor markets, the presence of low wage industries, civil rights issues and international policies before implementing such policies. There is virtually no guarantee that "border fencing" will increase wages or expand employment opportunities for youth, given the structure of the labor market along border areas. Other policies to address the immigration issues such as economic development in Mexico and U.S. border areas, monitoring of multinational corporations, eliminating right to work laws in certain border states, and expanding unionization efforts are ones which need to be pursued and discussed.

In particular, economic assistance should be given to attract industries to areas where Hispanics are located. Industrial development and job creation opportunities in the public and private sector should be encouraged to curb the presence of low wages. Job information and mobility assistance should be given to young workers who wish to relocate in more economically active areas.

The Human Capital Approach

The human capital approach emphasizes improvements in the supply side of the labor market through education, skill, training, and job search information. Since Hispanic workers tend to have low educational attainment levels, language problems, and rely on ineffective job search approaches, considerable attention has been given to the human capital approach. When one out of every three Hispanic youths 16-24 years in the labor force is a school dropout,[7] it is understandable why Hispanics encounter labor market problems.

However, the problem is circular when one notes that many Hispanic leave school because of economic necessity caused by pressure at an early age to support themselves and other family members.

The role of language in obtaining employment has not received adequate attention. Language problems may hinder job promotion or skill acquisitions. In certain cases, it may be an artificial barrier. For example, a person could perform a manual job, but the job requires passing an English test. If language improvement is to be advocated, a bilingual approach should be emphasized. In many retail stores in the Southwest, Spanish is a vital employment prerequisite.

Hispanic youth also need skill acquisition and training, especially in apprenticeship training. More effort is needed to bring career information, and the opportunity to participate in skill programs to Hispanic youth. The bleak relationship between age and earnings for Hispanic workers indicates they are not obtaining the type of work experience which emphasizes skill acquisition. Moreover, one study noted that length of time on the job for Hispanics did not correlate with higher earnings. For whites, job experience was important.[8]

Finally, job search techniques and information appear to play a major role in explaining why Hispanic workers are concentrated in low paying occupations and industries. Hispanic youth utilize informal channels to obtain employment. In particular, they use friends and relatives to obtain work.[9] Consequently, Hispanic youth may refer themselves internally to the same dead-end jobs. An intensive effort to acquaint Hispanic youth of alternative jobs is warranted. Specifically, job search information efforts need to be concentrated in the schools to provide a smooth entry into the world of work. Furthermore, work experience for Hispanic youth in a wide range of occupations should likewise be encouraged.

Affirmative Action

The most intensive policy efforts to improve supply and demand market conditions for Hispanic youth will fail if artificial barriers such as discrimination are present. For example, one study notes that after controlling educational and skill levels, market conditions, and other supply characteristics, Hispanic workers still earned twenty percent less than their white counterparts.[10] Even when Hispanic youth have received adequate training, employers underestimate their productivity by stereotyping them with a general perception of Hispanic youth. Discrimination influences the earnings, types of occupations, and industrial distribution of Hispanic workers. Strong enforcement of antidiscrimination laws and expansion of affirmative action programs appear to be needed.

Special Characteristics

The employment situation of Hispanics is influenced not only by market forces but by cultural, psychological, and social factors. Hispanic youth have their own ethnic culture, distinct from other youth. Depending on the situation, the labor market impact can either be positive or negative. For example, the need for immediate satisfaction may negate participation in long term training programs which have a high rate of return. A negative attitude toward work may cause loose attachments to the work force. Likewise, participation in such illegal activities as drug dealing will reduce labor force participation. By the same token, the dismal economic prospects in the youth labor market may cause negative attitudes and cultural views toward work.

Indeed, one study noted that the main cause of drug dealings among young chicanos was the lack of alternative legal economic prospects.[11] It appears that if cultural and social attitudes of Hispanics hinder their employment, the best solution is to offer youth positive and rewarding economic opportunities to participate in the world of work. The earlier these opportunities are offered, the greater the chance they can curb self-destructive activities, thereby reducing the need for future interventions. Further, these early interventions can be cheaper and easier to implement by utilizing the existing Hispanic youth culture in a way to enhance employability.

For instance, youth employment programs could enlist barrio youth gang networks to disseminate job and career information. Youth gangs could be hired for community improvement projects, mural projects, or worthwhile neighborhood activities. Furthermore, job development activities must also tap the Hispanic youth culture in such areas as music, art, jewelry designing, and other successful entrepreneurial activities. Considerable economic activities are involved in the "youth markets" and these resources should be channeled into the community. Later, interventions might have to be more intensive and involve removing the youth from their community.

Employment Strategies

In examining the labor market policies to effectively increase employment prospects for Hispanic youth, certain major elements were identified as crucial to an overall employment strategy. While further research and data are needed to completely verify some of these policies, a preliminary framework can be constructed. For example, it is important to recognize the diversity of the Hispanic youth group. Labor force participation rates and unemployment severity vary among the groups. Special attention should be paid to the Hispanic minority females, especially Puerto Ricans. The diversity of the group requires a variety of employment approaches.

The employment strategy should be designed to accommodate the needs of Hispanic youth, whether it is skill acquisition, income support, work experience, or combinations of above. Periodic

monitoring of youth programs should be undertaken to ascertain what services Hispanics are receiving, and the employment consequences of these programs. Reliable and timely data should be accessible to policy makers and Hispanic community leaders. In order to provide for this Hispanic input, the U.S. Department of Labor should create an Hispanic advisory committee to advise the Secretary of Labor on the status of Hispanic workers. A broad Hispanic membership of researchers, policy makers and community activitists would constitute the advisory community.

The Hispanic youth employment strategy also needs to be coordinated and integrated into an overall national employment policy. The relationship between general economic conditions and the status of Hispanics needs to be explored in more detail. Furthermore, economic assistance to lagging regions where Hispanics are concentrated also needs to be provided.

The final element of the employment strategy should be government intervention in all aspects of the marketplace -- public and private--to insure economic and employment opportunities are available to Hispanic youth. As noted earlier, these actions include labor market information, providing skills and training, working with the private sector to hire and train Hispanic youth, creating public service employment, and combatting discrimination. By adopting an intervention approach, the government will be making a socially needed and economically worthwhile investment in the youth of today. Moreover, it will avoid future problems and costs associated with earlier difficulties.

Notes

[1]Refer to P.M. Ryscavage and E.F. Mellon, "The Economic Situation of Spanish Americans," Monthly Labor Review, Vol. 96 no. 4 (April 1973) and Roberta, V. McKay, "Employment and Unemployment Among Americans of Spanish Origin," Monthly Labor Review, Vol. 97 no. 4 (April 1974), pp. 12-16.

[2]For the most recent profile of the Hispanic worker, refer to Morris Newman J., "A Profile of Hispanics in the U.S. Work Force," December 1978, pp. 3-14.

[3]F. Ray Marshall, et.al. Labor Economics (Homewood, Illinois: Richard D. Irwin, 1976) p. 235.

[4]Gordon F. Bloom and Herbert R. Northup, Economics of Labor Relations (Homewood, Illinois: Richard D. Irwin, 1977) pp.497-498.

[5]David S. North and Marion F. Houston, The Characteristics and Role of Illegal Aliens in the U.S. Labor Markets (Washington, D.C. Litton & Co., 1976).

[6]Gilbert Cardenas, The Manpower Impact and Problems of Mexican Illegal Aliens in An Urban Labor Market (University of Illinois, Ph.D. Dissertation, 1977).

[7]Anne Young, "The High School Class of 1972: More at Work, Fehen in College, Monthly Labor Review, June 1943, p. 26.

[8]Richard Santos, "An Analysis of Earnings Among Persons of Spanish Origin in the Midwest" (East Lansing, Michigan, Michigan State University, Ph.D. Dissertation, 1977).

[9]Paul Bullock, Aspiration Vs. Opportunity (Ann Arbor: Institute of Labor and Industrial Relations, Wayne State University and University of Michigan, 1973). pp. 58-59.

[10]Santos, op.cit.

[11]Esteben Flores and Gilbert Cardenas, Chicano Drug Dealing (Austin Texas: Sociology and Center for Mexican American Studies, 1978) unpublished.

HISPANIC YOUTH AND PUBLIC POLICY: DATA PROBLEMS, ISSUES, AND NEEDS

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Data Needs

For many years the federal government has collected population and employment statistics to serve the policy and programmatic needs at the federal, state and local levels. Manpower statistics and other labor market information have been used for several purposes. One of the major uses of these economic statistics has been the allocation and distribution of federal funds to state and localities for various human resource development programs such as the Comprehensive Employment and Training Act of 1973.

Data are available for various groups: whites, blacks, youth, older workers, and women. However, in the past, the federal govenment has not been responsive to the manpower and data needs of special groups such as Hispanics. Federal, state, and local agencies have had to conduct planning, administration, and allocation of funds for special programs for Hispanic youth in the absence of adequate data on population, employment, and unemployment.

The Population

The Hispanic population, the second largest minority in the nation, is comprised primarily of Mexican-Ameicans, Puerto Ricans, Cubans and other Latin Americans that reside in urban and rural labor markets throughout the country. Although the majority of the Hispanic population lives in the southwestern states, large concentrations of Hispanics reside in major metropolitan areas like Detroit, Chicago, New York, and Philadelphia. Their economic status is generally unfavorable relative to blacks and whites; Hispanics have high unemployment rates, a high incidence of poverty, and low incomes. With unfavorable economic conditions in the country today, the economic situation of Hispanics is likely to worsen in the eighties, unless there is significant government intervention.

Hispanic youth throughout the U.S. are experiencing severe problems in the labor market. In New York City, teenage unemployment rates among Puerto Rican youth are estimated to be as high as 50 percent. In Los Angeles, Mexican-American youth in the inner city are experiencing high unemployment rates of about 40 percent. Southwestern labor markets along the U.S. Mexico border are among the poorest in the nation. The border region, characterized by a large Mexican-American population, experiences the highest unemployment rates in the nation. In

1978, the average unemployment rate in the U.S. was 6.0 percent as compared to 4.8 percent in Texas. In border labor markets like Laredo and McAllen-Pharr-Edinburg, unemployment was as high as 13.3 percent and 12.8 percent, respectively. In these labor markets, unemployment rates among Mexican-American youth were much higher.

The barriers to employment for Hispanic youth are related to the lack of educational attainment, lack of usable work experience, and the lack of jobs. Hispanic youth have also experienced severe problems in the labor market because of employer attitudes toward youth, hiring requirements, and competition for jobs. In some rural labor markets the surplus of unskilled labor makes it difficult for youth to find employment. Often times, Hispanic youth have to compete with women, illegal aliens, and other groups for the same jobs.

The youth labor force among Hispanics is over 1.5 million. The labor force participation rate for Hispanic youth in 1978 was 50.4 percent. For Mexican-Americans the labor force participation rate was 53.7 percent as compared to 51.0 percent for Cuban youth. The labor force participation rate for Puerto Ricans was much lower than that of the other Hispanic groups. The Puerto Rican labor force participation rate was 33.8 percent. Unemployment rates among Hispanic youth have been relatively lower than that of black youth. The teenage unemployment rate for Hispanic youth in 1978 was 19.9 percent. Unemployment rates for Mexican-Americans and Puerto Ricans in 1978, were 17.6 percent and 30.9 percent, respectively. Teenage unemployment among the Cubans was 25.0 percent. Mexican-Americans had the shortest duration of unemployment averaging 4.0 weeks in 1977. The median duration of unemployment of Puerto Ricans and Cuban youth was 5.1 weeks and 7.7 weeks, respectively.

The educational progress for Hispanic youth has been generally limited. In most instances, Hispanics are lacking in educational attainment. Over the years Hispanic youth have made some gains in education. Some that have been able to avail themselves of educational opportunities in higher education often experience discrimination in the labor market. Despite the fact that their education levels are well above their parents', Hispanic youth continue to have lower levels of educational attainment than their black and white counterparts. The median years of school completed for Hispanic youth was 10.9 years in 1978. For Mexican-Americans the median years of educational attainment was 11.0 years; this compares to 10.8 years for Puerto Rican youth in 1978.

The low educational attainment of Hispanic youth is attributed to a variety of factors, namely, high dropout rates, cultural factors, as well as a language barrier. In the case of Mexican-Americans, many youngsters drop out of school for economic reasons. This is common among Hispanic migrant farmworker families who travel year to year to gather the nation's crops. Another dilemma that has contributed to the low educational levels of Hispanic youth is the lack of career education programs to assist youngsters in the transition from school to the world of work.

Needs and Uses of the Data

Until recently, labor force data on Hispanic youth was rarely available and published. While data like that quoted above provide a rough picture of the status for various Hispanic groups, namely, Puerto Ricans, Mexican-Americans and Cubans, detailed information on labor force characteristics of these groups is generally lacking. The shortage of data has been associated with the powerlessness of the Hispanic population. Limited information on Hispanic youth has been collected because of the lack of sensitivity of the various federal agencies to the data needs of this population as well as to the special problems of the Hispanic youth population.

Without adequate data, it is indeed difficult to address the manpower problems of Hispanic youth. There is a need to improve and expand the collection analysis and publication of demographics and labor market information of Hispanic youth. The data base for Hispanic youth needs to be expanded to better understand the dimension of the labor market problems of specific youth, namely, Puerto Ricans, Mexican-Americans and Cubans. The need for more adequate data is necessary to insure an equitable allocation of federal funds for this target population. In the past, the distribution of funds for the Hispanic youth population has been conducted without adequate data.

The most comprehensive source of information for youth is the decennial census program under the Bureau of the Census. Through the census of population and housing, the decennial census constitutes the only attempt to make a complete enumeration of the nationl population. The survey contains data on age, size, residence, and general characteristics of the labor force at the federal, state and local levels.

The decennial census provides useful information on youth for planning and administration of programs. Manpower planners and administrators often use this source to become familiar with the social and economic characteristics of the population. Much

of the data can be disaggregated by state, county and local levels as well as by race. Hispanic youth data is collected for persons of Spanish language. Detailed characteristics of the labor force for this population are also available. Some detailed characteristics on the Puerto Ricans, Mexican-Americans and Cubans are also provided in this source of data.

The major limitation of the decennial census is the fact that it is conducted every ten years. Because of the dynamics of labor markets and employment developments in the economy, the data generated in 1970 may prove to be less useful in 1979. Moreover, the employment patterns and manpower problems of youth in general, particularly Hispanics, may have changed over the decade. Another major problem of the decennial census is undercounting. Studies of the 1970 census indicate that approximately 2.5% of the population was not counted. Many of those missed were Black and Hispanic youth. The 1970 Census also failed to count numbers of migrant farmworkers and migrant farmworker youth. During the month of enumeration, migrant farmworker youth leave their homebase states for agricultural employment in other states. In spite of the limitations, this data source provides useful information on youth.

The Department of Labor collects and uses vast labor market information on youth for its activities. This agency collects both programmatic and statistical data related to youth and other workers. Amont the three agencies that collect information related to youth include; (1) the Bureau of Labor Statistics, (2) Employment Service, and 93) Employment and Training Administration.

The Bureau of Labor Statistics collects a vast array of statistics that include: (1) current employment analysis of the labor force, (2) data in employment structure by industry and occupation, (3) data on price and living conditions, (4) wages and industrial relations, and (5) productivity and technology. With the exception of the data collected on the current employment of the labor force, the other sources collect little or no data on youth. Less data on Hispanic youth is available from these sources.

The basis for data collected on current employment by BLS is the Current Population Survey (CPS). Under the CPS, statistical data is provided on the civilian noninstitutional population 16 years of age and over. This survey is collected each month from a probability sample of approximately 56,000

households. Each October, supplemental questions are included to identify employment characteristics of school age youth, high school graduates and dropouts and recent college graduates. In October of each year, the CPS collects information on the school enrollment and labor force status of the population 16 to 34 years old. For the rest of the year students are not explicitly identified as being enrolled in school, although the number of young people 16-21 years reporting school as their major activity are tabulated by labor force status. Data presented in this supplement shows employment, occupation, work experience, and earnings by sex, age, race, and school enrollment status. Limited data is provided on Hispanic youth in this supplement because of methodological considerations associated with the sample.

Unlike the monthly and very comprehensive data compiled for black and white workers, Hispanic statistics have been based on quarterly averages and not seasonally adjusted. Black and white statistics that are seasonally adjusted are available for all age groups including 16-24. Data for Hispanic youth is limited to youth 16-19 years of age. Labor force data collected on a quarterly basis for Hispanics, particularly Puerto Ricans, Mexican-Americans and Cubans between 16-19 years of age, include labor force participation rates, unemployment rates, and median duration of unemployment.

The Hispanic labor force data from the Current Population Survey are not as precise as those for whites or blacks because vital statistical records are not available for persons of Hispanic origin and therefore, there are no independent population controls available. Population estimates of the CPS are controlled through the decennial census updated through benchmarks obtained from vital statistics. In the case of Hispanics, the lack of vital statistics makes it difficult to account for such control. The Hispanic undercount of the decennial census was also significant enough to have affected the reliability of Hispanic estimates. It is probable that the undercount for Hispanics in 1970 was as large as that for Blacks. Another major factor limiting the reliability of Hispanic labor force data is associated with sampling error. Because the Hispanic population comprises a smaller segment of the population, the data on the Hispanic labor force is subject to higher levels of sampling error than comparable data for whites and blacks. In the case of Hispanic youth, the characteristics of the Puerto Rican and Mexican-American youth are further subjected to a higher sampling error and less reliable estimates.

The CPS is specifically designed to produce reliable estimates at the national level, and it is not designed to produce state and local estimates. This survey is relatively useful to analyze employment problems and patterns for youth in the U.S. but it is indeed difficult to disaggregate this data by state and local areas for the various groups by races. Most recently, disaggregated CPS estimates have been made available for some of the major labor market areas in the country. It is very difficult to disaggregate the data for Hispanic youth by state and local levels again because of the small sample size and high standard error.

There are other limitations of the CPS. First, it does not collect any information on migrant farmworkers, which includes a significant number of Hispanic youth. Second, the CPS survey does not take into account the number of illegal immigrants from Mexico and other countries. Illegal immigrants that have been coming to the U.S. for years are usually young and constitute a significant part of the labor force. Third, there are many Hispanic youth in rural and urban labor markets that have dropped out of the labor force as discouraged workers. Since 1976 such persons have been identified by the CPS, tabulated separately, but classified as not in the labor force, not as unemployed. The numbers published by BLS are rarely available for Hispanic youth. Oftentimes, Hispanic youth in this category are not counted because they are very difficult to identify. Despite the limitations of the CPS, it is the most useful tool for planning youth programs at the national level.

The Bureau of Labor Statistics also collects data on industry employment statistics. The industrial employment statistics provide national, state, and local estimates of total employment by major industry as well as data on hours and earnings. This source of data is based on a mail survey of approximately 158,000 employers which account for 41 percent of total estimated employment. Among the limitations of this data source is that specific data on youth is not available. Numerous workers such as unpaid family workers, agricultural and domestic servants are also excluded from here.

The insured unemployment statistics include data on insured unemployment by age, sex, color, and duration of unemployment. It covers all persons receiving unemployment insurance and is based on 10% of the claims filed on unemployment benefits. These statistics are available for blacks, whites and youths, but not for Hispanic youth. Also, workers covered under State unemployment laws are included. There are many Hispanic youth between the ages of 16-24 that, because of temporary work or intermittent employment, cannot be covered under state unemployment insurance laws.

State and local unemployment estimates are collected by the local employment service offices to measure labor market conditions. These estimates are based on annual average data derived from the CPS and monthly estimates based on local counts of insured unemployment and covered employment. Federal agencies often use these local area unemployment statistics to allocate funds under CETA and other programs. This source of data is subject to inherent limitations. Among the major limitations is that unemployment statistics are not available by race, sex, age, and national origin. In the absence of this data, federal agencies may allocate funds for youth programs on the basis of the general unemployment rates. The published unemployment rates usually fail to reflect the actual level of employment because of the methodology used in developing these estimates. The fact that these estimates are based on the number of people that receive services from the employment service contributes to a bias in the estimate. Hispanic youth are more likely to find employment through informal channels rather than the employment service. These estimates would also exclude many Hispanic youth who are in the hidden unemployment category.

The Employment Service at the state and local levels collects other data on workers through the Employment Security Statistical Automated Reporting System (ESARS). Monthly data is collected at the state and local levels by the employment service offices on the applicants that receive services not limited to counseling, testing, placement and training. The data is broken down into applicant characteristics such as youth, veterans, and selected target groups such as Blacks and Hispanic youth. More detailed information on Puerto Rican and Mexican-American youth is generally lacking. Another limitation is that these estimates again, are based on persons who utilize services from public employment agencies.

The Employment and Training Administration collects vast information on participants in manpower programs through its quarterly summary of participant characteristics submitted by local prime sponsors. Data are available on the characteristics of participants by race, sex, age, wages and titles. Until recently, cross-tabulations on the personal characteristics of Hispanics, Blacks, and Whites were not available. The new quarterly summary of participant characteristics as authorized under CETA of 1978 does allow for an analysis of Hispanic youth in Title I, II, III, and VI. Under the new forms, it will be possible to analyze the characteristics of youth by race and ethnicity in the various programs; namely, Job Corps, YEDPA, public service employment, and work experience.

Many studies on youth have been conducted utilizing national longitudinal data. One of the studies has been on the transition from school to work and the early labor market experience of young men who were 14 to 24 years in 1966. This study follows them to 1971 to identify changes over time in educational and career aspirations, employment and unemployment experience, and other factors affecting work experience, attitudes, social economic background, and education. The analysis was conducted for black and white youth 14-24. Another study examined the transition from school to work and the labor market experience of young women. The study was based on the National Longitudinal Survey personal interviews with this group from 1968 to 1973. It examines educational and career aspiration and work experience among young women.

The Hispanic sample in the original National Longitudinal Survey was too small to permit detailed analysis. A new panel was implemented in 1979 which oversampled low-income Hispanic youth. This should provide a major source of information about their problems and needs. It is important that the capacity be developed in the Hispanic community to utilize these data in a timely fashion.

Another data source on youth that has contributed greatly to a more thorough analysis of the labor market problems of youth is the National Longitudinal Survey of labor market experience conducted by the Bureau of the Census and Ohio State University Center for Human Resources Research for the U.S. Department of Labor. Longitudinal data provides useful information on the labor market experience of a certain population at different points in time. The National Longitudinal Survey consists of a national sample population of workers including women. The survey has proved the relationship of factors influencing the labor force behavior and work experience of four groups: men aged 45 to 59; women 30 to 44, and men and women 14-24. The study entails consecutive surveys by personal interview of each. Initial surveys for male youth 14-24 were conducted in 1966 and in 1968 for female youth in this cohort. The Bureau of the Census draws the samples and collects and tabulates the data. Ohio State, in conjunction with the Department of Labor, analyzes the data (2).

Another survey that provides vast information on the experience of participants in CETA programs is the Continuous Longitudinal Manpower Survey (CLMS). This sample survey is conducted by the Bureau of Census through field interviews at 147 CETA prime sponsors. Among the types of data collected

include enrollee earnings and labor force history for the year preceeding enrollment in manpower programs. Similar data is collected for participants while enrolled in various programs. Follow-up interviews provide useful information on earnings and labor force characteristics of the manpower participants upon completion of their training. The CLMS provides measures of the impact of CETA programs on participants earnings as well as cross section profiles of CETA participants. CLMS data is available for Blacks, whites and Hispanics by program activity in Title I, II, III, and VI. However, the published CLMS data does not give a Hispanic breakdown by age. Hispanic participant data in public service employment, for example, can be analyzed for the Hispanic population but not for Hispanic youth. More data on Hispanic youth is available from data collected on the various youth programs including CETA enrollment earnings and unemployment status. However, detailed characteristics on Hispanic youth by age, sex, education, veteran status are not generally available.

The CLMS can be a most important source of information to evaluate the performance of Hispanic youth in CETA programs. However, more data must be made available on Hispanic youth participation in manpower programs. This may necessitate an increase of the sample size of Hispanics in the CLMS to improve the reliability and reduce the standard error for Hispanics.

Conclusion

Clearly, labor market information and data availability on Hispanic youth are far from adequate. Many of the data sources available do not provide reliable employment and unemployment estimates of the Hispanic youth population. Fewer sources provide general labor market information for Mexican-Americans and Puerto Ricans. Most important, the methodologies and sampling techniques often contribute to less reliable estimates of the Hispanic populations. Other problems associated with small sample sizes and large standard errors contribute to less available infomation on the labor force characteristics of Hispanic youth. In most cases, the availability of data is based on national estimates and cannot be disaggregated for youth and Hispanic youth by state and local areas. Data collected from establishment surveys rather than household surveys prove to be less useful for identifying Hispanic youth. Moreover, certain segments of the Hispanic youth labor force, such as migrant farmworkers and illegal immigrants are usually excluded from the various surveys.

The shortage of data makes it more difficult to solve the labor market problems of this population. Without adequate data, it is virtually impossible to plan and develop viable programs for the Hispanic youth population. The data problems may very well be contributing to an inequitable distribution of Federal funds to Hispanic youth. Careful consideration should be given to the following recommendations:

1. The Current Populaton Survey should oversample Hispanics to improve the reliability and estimates of the Hispanic youth population. Hispanic youth estimates and data analysis should be provided by BLS on a more frequent basis as available for Black and White youth.

2. All federal agencies should include Hispanics and Hispanic youth in their statistical reporting systems.

3. A special census on Hispanic and Hispanic youth should be conducted periodically to collect some useful information on the labor force characteristics of Puerto Rican, Mexican-American, Cubans and other youth of Spanish origin.

4. The National Longitudinal Survey and other longitudinal surveys should expand the sample size to include a representative sample of Hispanics and Hispanic youth.

THE YOUTH EMPLOYMENT DRUG PROBLEM: AN APPROACH TO INCREASING THE EMPLOYABILITY OF YOUTHFUL DRUG USERS

Philip G. Vargas

Drug Abuse and Employment

On August 2, 1977, President Carter in his message on drug abuse to the Congress, stated that:

> Drug abuse continues to be a serious problem in America. The lives of hundreds of thousands of people are blighted by their dependence on drugs... Among young American men aged 18-24 years, drugs are the fourth most common cause of death: only automobile accidents, homicides, and suicides rank higher. The estimated cost of drug abuse in America exceed 15 billion dollars each year. Among some minority groups, the incidence of addiction and the harm it inflicts are disproportionate.

In improving and strengthening the effectiveness of drug treatment programs, the President stated that "... we must not only treat the immediate effects of the drugs, we must also provide adequate rehabilitation, including job training, to help the addict regain a productive role in society." (Emphasis added) And one of his major Presidential mandates is to improve the quality of Federal drug treatment to help drug abusers return to productive lives. The President also directed the Secretary of HEW to expand resources devoted to care for abusers, including alcohol, and ordered the Secretary of DOL "to identify all Federal employment assistance programs which can help former drug abusers," and to give recommendations for increasing their access to drug abusers. Those with drug problems are frequently those who would have a high likelihood of employment problems. The 1978 data indicate that approximately 30 percent of clients admitted to drug treatment were black, 14 percent Hispanic, 29 percent women; that 23 percent were 20 years old or younger; and that 53 percent had not completed high school.

Although drug abuse is related to employment problems and while employment and training efforts are a logical component of treatment strategies, little has been done to address this areas of overlap. A few treatment programs with employment components have been funded, but there has been little concern with the issue in the employment and training system. Case studies of seven local drug treatment programs revealed the following:

1. Programs tended to focus on specific and limited aspects of drug problems faced by drug users; most of the evaluation in the programs were basically medical;

2. The relationship between employability and drug use for the most part was notable for its lack of importance in the programs visited;

3. In some programs there were dedicated and committed individuals whose insight, expertise, and dedication raised programs to levels beyond their individual organizational responsibilities;

4. Actual job-related training, placement, and followup activities were minimal and in most cases played no part in the treatment-rehabilitative program.

The National Institute for Drug Abuse (NIDA) National Manpower and Training system is an elaborate network of training systems to familiarize various groups with the effects of drugs, counseling methods, sources of treatment but it does little to train drug abusers in how to get and hold jobs. According to NIDA statistics, two-thirds of the clients admitted to treatment are unemployed. However, only a fourth are employed at discharge; thus, there appears to be little improvement in employment status between entry and exit from drug treatment programs.

Understanding the Drug Abuse Problem

If employment and employability concerns are to have an increased emphasis in drug treatment, it is necessary to better understand how they are related to the drug problems of youth. Various theories have been formulated to explain drug use and misuse. For instance, it is determined people take drugs to escape, to rebel against parents, or to imitate peers or elders. Though these factors do shape the forms of drug use by young people, they are totally inadequate to explain the relationship between drug dependency and psychological factors.

Drugs are, in a sense, a response to maladjustment; they are a reaction to the psychological problems rooted in individuals and not their cause. Psychological theories

of drug use and abuse postulate that drug intake is a consequence of poor self-image, low self-concept, a lack of ability to cope, feelings of inadequacy, and alienation. The disproportionate increase in drug abuse, drug addiction, alcoholism, and criminal behavior, among youth and young adults in our society, are usually linked to one or more of the following:

1. A fragmented life situation, accompanied by emotional stress reactions;

2. Lack of a clear-cut and designated position in a conventional social and economic life framework;

3. Deficits in areas such as literacy and general information content, which isolate the individual from general social participation and meaningful employment;

4. Nonparticipation in the civic, political and economic life of the communities, resulting in peripheral and/or trivial contact with educational, political, and community leaders; drug users are a powerless and inert body of consumers.

Addiction, alcoholism, and crime are in this analysis expressions or responses to lives which lack meaning and satisfaction. Drugs are palliative which provide spurious satisfaction on demand under conditions where normal channels for obtaining satisfaction are largely excluded.

This perspective may be formalized into the following theoretical model of drug abuse. Each of us, during infancy and childhood, learns to expect a certain level of satisfaction in our day-to-day life. Below this ambient emotional expectancy level, we feel depressed and dissatisfied. Most persons who move through adolescence maintain their ambient emotional levels. For those who do not, drugs offer a simple, expedient and available means to reach an emotional level of staisfaction which is comparable to their ambient expectancy. For those who are reduced in emotional satisfaction during adolescence/young adulthood, drugs provide, for a few hours at a time, some relief from the depression which occurs when there is

a substantial dropoff from this perceived ambient requirement. This cycle of drugs/depression/drugs is, in essence, a mechanism for restoring a level of emotional satisfaction lost as the security of childhood was replaced by the instability and anxieties of adolescence. Thus, drug use is a psychological palliative for adolescents who were once far happier. It is an available tool for restoration of feelings once felt daily, which now can only be recaptured for a few hours through physiological means. Conversely, this position holds that children who move from unhappy childhoods to a more secure adolescence become drug users far less frequently.

There are four basic emotional patterns involved:

1. Unhappy childhood followed by unhappy adolescence/adulthood;

2. Unhappy childhood followed by emotionally satisfying adolescence/adulthood;

3. Happy childhood followed by happy adolescence/adulthood;

4. Happy childhood followed by unhappy adolescence/adulthood.

Persons in Pattern #4 are most vulnerable to drug use as this dropoff in emotional satisfactions is accompanied by depression and loss of self-image. What is required to reduce or eliminate drug use in this hypothesis is some means of producing higher levels of satisfaction accompanied by an improved self-image. The mechanism for accomplishing these goals is to upgrade drug users to the point where they possess the skills for employment and adaptation to life as productive members of their communities. If drug users could obtain satisfactions through meeting the standards of adult life they would not be forced to use drugs and alcohol as mechanisms to attain satisfactions artificially through physiological reations.

The second hypothesis persented here is that employment is of special importance to drug users as it produces economic rewards and higher social status; employment is the best tool to upgrade self-image and, therefore, the best of all rehabilitative devices. In view of the ubiquitous use of drugs and alcohol in our society, a

major national priority must be the substitution of genuine economic and social satisfactions for the spurious, artificial, and short-lived relief through drug use.

What Needs to be Done

The challenge, then, is to develop unique and effective treatment-rehabilitative environments for providing various forms of treatment, training, education, and rehabilitation to youthful drug users across the country and, thereby, more effectively utilize the hundreds of millions of dollars spent each year by the Federal Government for treatment services.

When addictive drugs, alcohol and crime remove youthful individuals from the community, then rehabilitative environments must utilize some effective antigenic device to restore, or enable these young persons to achieve full and effective function. The antigen proposed here consists of remediation by way of job skills and social training so that substance abusers can operate at their maximum potential.

The drug abuse problem annoying youth must be attacked in a pervasive and systematic manner and not piecemeal and fragmentary as is being presently done. Under Public Law 95-524 ("Comprehensive Employment and Training Act Amendments of 1978") and Public Law 95-255 ("Drug Abuse Office and Treatment Act of 1972")--the two major legislative measures for youth employment programs and rehabilitation of drug abusers--there is already in existence the legal framework with sufficient flexibility to integrate the various programs that deal directly or indirectly with problems of training and employability.

A Plan of Action

What is needed is a comprehensive strategy for linking drug treatment and employment and training systems. The strategy must include not only education and training, including skills acquisition, but should also improve job placement and assistance in adapting to industry once employed. Drug-employment training should also recognize the emotional impact of drug use while assuring a smooth transition from the training system to everyday work situations. This system must be designed to effectively tailor substance abuser unemployables to fit the varying and complex needs of modern industry and the public sector. This requires that trainees first receive corrective medical

and psychological help where needed, and, at the same time, trainees should also receive careful and systematic skill development which is focused on genuine manpower needs of industry.

To accomplish this objective, the strategy must include the following:

a. A method of identifying and involving the substance abusers;

b. A system for treating physical and mental ills, drug addiction and alcoholism, and providing psychological, social work and medical support as required;

c. a systematic and highly focused system of training which produces personnel, from the existing manpower pool, whose skills are tailored to the manpower needs of both public and private sectors;

d. An employability system which insures that a high proportion of those being trained can perform effectively on the job;

e. A system of bridging trainee graduates into jobs which insure that youth or young adults qualified to perform jobs are placed in jobs for which they have been qualified;

f. As part of the training system, methods of insuring that once on the job, new employees can survive the production and social pressure which they will meet, and that they have the necessary social and language skills and stress tolerance;

g. A system of recycling graduates who fail to hold jobs into further training and job placement;

h. A simple but effective method of orienting executive, administrative, supervisory and plant personnel which will reduce friction as the newly trained make the transition into the work situation;

i. A simple and clear-cut system of evaluation of the manpower training system and the in-house plant program, directed to continual upgrading of the total system's effectiveness.

Basically, then, the strategy must have three interrelated and complementary objectives:

> Reducing and/or eliminating drug use in the trainee population;
>
> assuring the development of the language and job skills needed to obtain and hold a job in a modern industrial, corporate, or government setting, and providing the support to get and hold a job in order to build up self-image.

To achieve these objectives, the system would have to

> recruit youth who meet certain criteria, such as age, poverty, and lack of employment. The criteria should be certified drug use, lack of employability, and, perhaps, a noncriminal history (particularly at the outset). These youth would need individual and pschological treatments which are standard in drug treament programs. But they would also need a job skill development system covering a limited number of job areas, literacy and basic educational skills, social and community adaptation skills, and some understanding of the "World of Work," such as advice on job hunting, interviewing, and staying on the job. This should be followed by a job placement system which maintains liaison with potential employers and follows up graduates to find out how well they did (or did not) perform.

These elements are contained in a mode Ex-drug User Job Bridge System outlined in the appendix. While this is just one of many possible approaches, its suggests the need for a comprehensive linked approach which will integrate medical treatment, human resource development, and support on the job.

Drug usage is basically a psychological phenomenon and employment programs such as those presented in this analysis are crucial for reducing drug abuse and the concomitant feelings of inadequacy, low self-image, etc. The use of drugs is really a type of chemical substitute for being able adequately to cope and perform in a society. The basic hypothesis of this report is that if drug users are able to be redirected into employment and are able thereby to gain the necessary psychological satisfaction and strengths they will not need drugs.

Thus, the focal point of drug use is in the individual, not the drugs. The solution to the problem, is to develop a mechanism for reducing the emotional impact of an individual's feelings of inadequacy and his/her inability to cope with the problems and pressures posed by society.

Review of selected drug treament programs across the country are consistent with the view that employment can serve as a treatment-rehabilitative and preventive measure but that very little is being done in linking these two elements. Hence, the employment approach presented in this analysis are crucial for reducing drug use among youthful citizens.

Also, since the CETA programs have not been used to train drug users, steps and initiatives should be taken to modulate and organize the CETA programs to serve as drug treatment-rehabilitative programs. For example, drug treatment centers and Job Corps centers could be modified and set up in urban areas to treat and train substance abusers and to help place them in the private sector. Moreover, such drug treatment-rehabilitative programs should be judged and evaluated on the basis of their ability to place ex-drug users in stable jobs. This should not be so difficult to accomplish since all of the machinery for such measures is implicit within the CETA and NIDA legislations, as well as in the President's message, congressional hearings, and the Federal strategy. The sad fact is, however, that Federal drug policies are still continuing to largely focus on the elimination of the drug traffic, either by getting various countries not to produce and ship drugs, or through keeping marijuana and other drugs from getting through our borders. Such policies have not been successful as drug usage continues to increase. New and innovative alternatives must be tried.

Finally, for every young person that can be channeled into employment through the acquisition of skills and jobs, the requirements for muggings, predatory crimes, larceny, and burglaries to support the habit will have been, if not removed, then dissipated.

APPENDIX A. The Ex-Drug User Job Bridge System (XDUJBS)

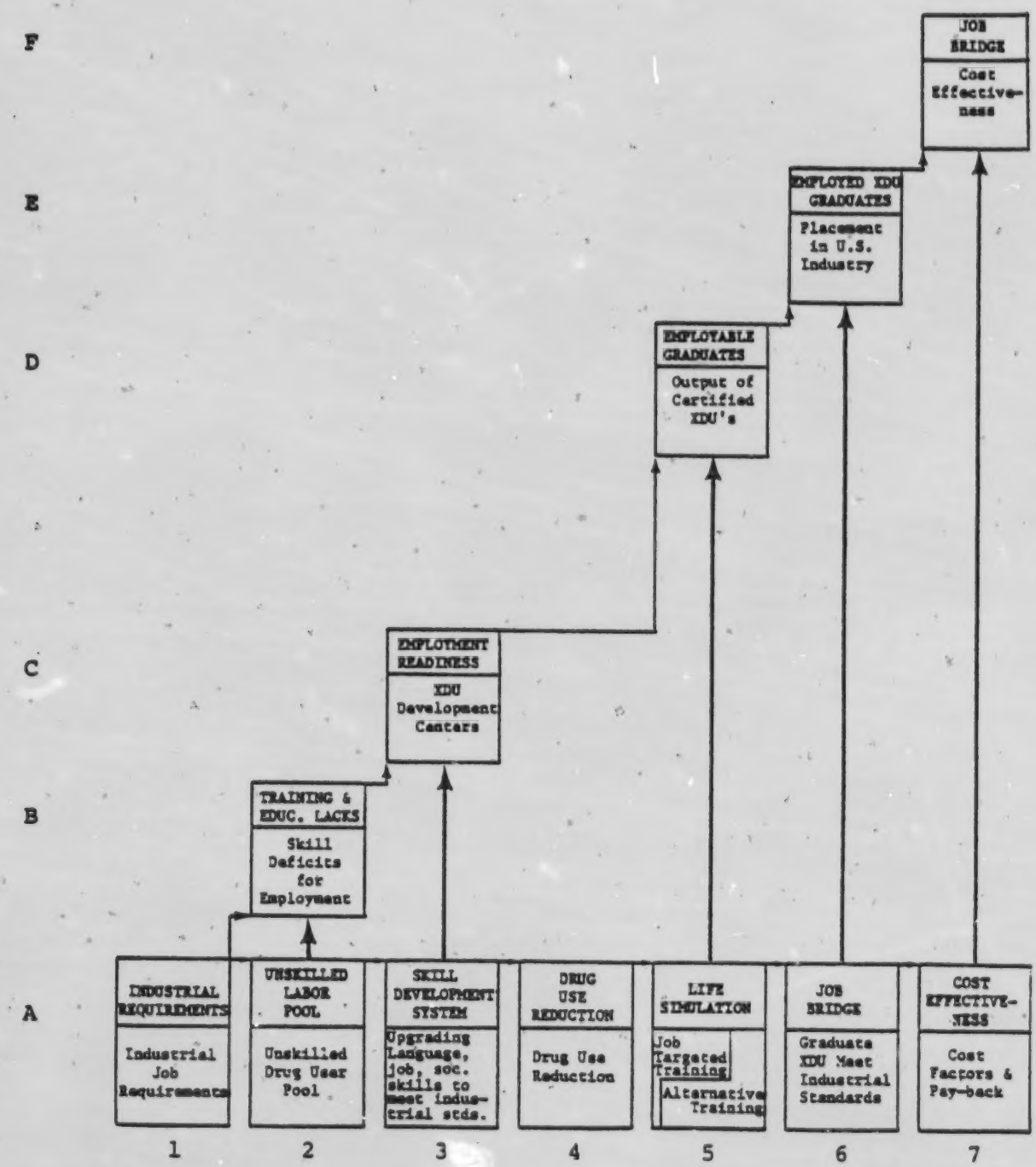
There are a variety of possible "model" programs for the employment and training of ex-drug abusers. Many questions remain to be explored. However, a comprehensive system might contain the following elements, which are presented in schematic form:

Cell A-1 (lower left) indicates the employment skills needed by industry, including the number of employees needed and the quality of performance, such as rate of production, wastage, breakage, error rates, etc. This demand by industry for production skills establishes which jobs are needed and these, in turn, become the jobs for which ex-drug users (XDU's) are trained.

Cell A-2, the Unskilled Labor Pool, reflects the number of XDU's available for the training program (potential and actual XDU recruits). Once the XDU trainees have been evaluated and compared with the job skill requirements shown as A-1, the skill deficits for the trainees individually and as a whole can readily be ascertained. These educational and skill deficits, plus reduction or elimination of the drug use habit, must be accomplished as a condition for employability (Cell B-2).

Cell A-3 indicates a requirement for a skill development system modeled on Job Corps but more completely targeted to known industrial needs as obtained in Cell A-1. This system would provide various employment skills currently needed, such as automative engine and repair, draftsman entry-level skills, construction trade skills, etc. In addition, the program would provide literacy training, high school equivalency methods, social adaptation skills, understanding of industrial, business, and corporate institutional requirements, methods and procedures, plus skills useful for adapting to other shop and office employees and conforming to the behavioral boundaries necessary for obtaining and holding a job. Above all, the training should be so sharply targeted and trainees so rigorously evaluated that program graduates would need minimal further training once hired (Cell C-3).

THE EX-DRUG USER
JOB BRIDGE EMPLOYABILITY SYSTEM (XDUJBS)



Cell A-4 The second arm of the problem, drug use reduction or elimination, is covered. Here we visualize the XDU system as linked to a treatment facility such as a hospital or clinic where progress in the system and increasing employment potential is accompanied by a dropoff in drug usage. That is as XDU trainees improve their self-image (based on success in the employment program) they participate in the decision process to reduce their drug intake. Thus, as skills increase, drug use decreases as an integral aspect of the system. XDU's who do not decline in drug use would, in this system, only progress to a prespecified point in the training program. Further training (and later certification) would be contingent on reduced intake under medical supervision.

Cell A-5 An important aspect of the training of XDU's would be life simulation. We should seek to familiarize, and use to the extent possible, methods of training which simulate factory, office, and work environments. The fidelity of the training should cover the equipment used, the response sequences required, maintenance and repair, rates of production, etc.; the greater the fidelity in training, the less graduates would be required to learn following employment. The certification of graduates would be based on two criteria:

1. Elimination of drug use for at least 30 days and classification at the end of 30 days as an ex-drug user (XDU);

2. XDU trainees would be required to perform at or above industrial standards on equipment and in situations similar or identical to that which they would face on the job. When both conditions were met, based on careful and validated methods, XDU's would be certified (Cell D-5).

Cell A-6 The Job Bridge is visualized as an elaborate and well-organized placement system working through major industrial organizations such as AT&T, GM, GE, and other corporate giants. In addition, associations of employers, small businesses and unions would be organized into a consumer network to guarantee jobs for certified XDU's. As the XDU's would be specifically

trained to the industrial standards on the machines and equipment in use, XDU job consumer organizations would receive skilled employees, whose job readiness would be subsidized by the Federal Government. Establishing and maintaining this XDU Job Bridge would require substantial effort and training methods somewhat more sophisticated than now in use in Job Corps itself.

The actual placement of XDU's would be a function of the Job Bridge mechanism itself. This would be done in many ways. The mechanism we favor is job-need projections by large industrial organizations and industrial associations. These projections, in turn, function as job requisitions for XDU trainees trained in the given industrial area. Contractors who currently supply industry with manpower through "body shops" would carry out the same function by meshing industrial needs for skilled employees with XDU certified graduates.

Cell A-7 Integral to the XDU system should be a comparison between its cost and its payback. Cost factors cover recruitment, training, the Job Bridge, and retraining where necessary. Payback factors include such items as increment in taxes per employed graduate, reductions in welfare, medical incarceration, police and security costs, etc.

Cell F-7 A Job Bridge Cost Effectiveness Index (CEI) should be computed which weighs costs (c) against payback (P). CEI = $\frac{P}{C}$ Thus, if CEI equals .50, then half the costs are being covered. If CEI equals 2.00, then twice the costs of the Job Bridge Employability System are covered by the payback it generates.

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TARGETING MONEY ON YOUTH:
THE CASE FOR THE CITIES

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Introduction

A major policy issue in any Federal program is the distribution of funds. All areas boast alert, active Congressional representation and as a result, most grant programs tend toward uniform per capita allocations. Under the Comprehensive Employment and Training Act (CETA) and its youth programs, a variety of mechanisms are used to allocate resources. While these mechanisms all seek to some extent to concentrate resources in areas of greatest need, there are arguments for still greater concentration.

Cities over 50,000 together account for about 35 percent of the U.S. population. But they account for more than 60 percent of minority youth unemployment; 52 percent of all FBI Index Crimes, and 51 percent of all illegitimate births. Among the biggest cities, the relative concentration of the problems is even greater. This suggests that under a program aimed at the most serious of youth problems, such cities would receive allocations 60-65 percent larger than they would receive under a uniform per capita distribution.

The current CETA allocation formuale do not favor cities in this way. The CETA titles are allocated to prime sponsors on the basis of four statistics: the number of unemployed persons (in the prime sponsor's area); the number of unemployed persons in excess of a 4.5 percent unemployment rate (if any); the number of persons in families with annual income below $12,000; and the prime sponsors historical allocation under the program in previous years. These factors create a modest reallocation of resources toward central cities when compared to a distribution based solely on population. But the magnitude of the shift is far smaller than the concentration of serious youth problems would indicate.

The Severity and Youth Distribution of Unemployment

Allocation mechanisms which distribute resources based on need must rest on a definition of "need;" definitions which are more focused yield greater concentrations.

There is no direct way to resolve this disagreement. We cannot objectively show that the hardship of a 5 percent adult unemployment rate is equivalent to the hardship of an X percent teenage unemployment rate. But the question can be approached in several indirect ways, one of which is to adopt an historical perspective. We can ask to what extent has teenage unemployment rates have been getting better or worse over time.

There are three primary measures for assessing need: the unemployment rate, the employment/population ratio, and the labor force participation.

A comparison of 1964 and 1978 (two years in which overall economic conditions were roughly equal) shows that the experience of black and white teenagers have evolved in sharply different ways. Among white males the proportion of those in the labor force increased from .46 to .59. When coupled with population growth itself, this meant that the white male teenager 1978 labor force exceeded the 1964 labor force by 1.8 million persons.[1] Yet the figures in Table 1 show that most of this increased labor force was absorbed into employment: the group unemployment rate in 1978 was slightly lower than in 1964. Thus, more white teenagers were interested in working; more were working; and the unemployment rate was roughly constant. Taken together, these figures suggest that however serious employment was for white male teenagers in 1964, it has become less serious over time.

Table 1

Teenage Labor Force Statistics 1964-76
(persons ages 16-19)

	Black Males			White Males			Black Females			White Females		
	LFP	U	E/P	LFP	U	E/P	LFP	U	E/P	LFP	U	E/P
March 1964	.43	.23	.33	.46	.17	.38	.25	.35	.16	.34	.12	.30
March 1978	.40	.42	.23	.59	.15	.49	.31	.44	.17	.55	.14	.47

Source: Tabulations of the Current Population Survey by the author.

The conclusion for white female teenagers is similar. For this group, the 1978 labor force exceeded the 1964 labor force by 2.3 million persons, a reflection of the particularly rapid increase in labor market participation among women. Yet most of this increased labor force was also absorbed into employment and the group unemployment rate rose only slightly. For this group, too, the problem of teenage unemployment, whatever its initial magnitude, has become less serious over time.

The case of black female teenagers is more pessimistic. In 1964, they had an unemployment rate that was substantially higher than the other three groups in Table 1. By 1978, their labor force participation rate had increased modestly and the actual size of their labor force had increased by only about 180,000 persons. But most of this increased labor force did not find employment. Correspondingly, the employment/population ratio remained constant and the group's unemployment rose from .35 in 1964 to .44 in 1978.

If the case of black female teenagers represents a moderate deterioration (from an already weak position) the case of black male teenagers represents a collapse. In 1964, labor force statistics for black males were only slightly worse than those of white males and well above those of black females. But over the next 14 years, where circumstances for white males improved, circumstances for black males declined sharply. The proportion of the group employed fell from .33 in 1964 to .23 in 1978. Over the same period, the unemployment rate rose from .23 to .42.

The contrast between black and white males is worth restating. Between 1964 and 1978, 1,800,000 white male teenagers joined the labor force and 1,600,000--about 90 percent--were able to get jobs. By comparison, 152,000 black male teenagers joined the labor force and only 33,000--about 20 percent--were able to find jobs.

Again, we cannot quantify the amount of hardship contained in youth unemployment. But this historical perspective suggests that whatever the hardship, it has been lessening for whites, increasing for blacks, and increasing for black males with particular severity.

The picture is similar for young men and women--persons aged 20-24. The statistics are important because they describe the position of young adults themselves, but they also give indications of the extent to which trends in teenage labor markets carry into later years.

The data in Table 2 parallel the teenage data in Table 1 but there are differences in degree. White young men did reasonably well in 1964 and almost exactly maintained their position in 1978. Through population growth, their labor force increased over the 14 years by 2.7 million persons while the number holding jobs increased by 2.4 million leaving the group's unemployment rate roughly unchanged at about .10.

Table 2

Young Men and Women Labor Force Statistics
(persons ages 20-24)

	Black Males			White Males			Black Females			White Females		
	LFP	U	E/P	LFP	.U	E/P	LFP	.U	E/P	LFP	U	E/P
March 1964	.89	.10	.79	.83	.09	.76	.48	.25	.36	.50	.08	.46
March 1978	.76	.23	.58	.84	.11	.75	.61	.20	.49	.67	.09	.61

Source: Special Tabulation of Current Population Survey by the author.

The data for white young women is similar but more dramatic, reflecting the same rapid increase in labor force participation that appeared among white female teenagers. Their labor force increased by 2.9 million while the number holding jobs increased by 2.6 million, again resulting in a steady unemployment rate at about .10.

The position of black young women also improved, but at a more gradual rate and from a poorer initial position. Through increased labor force participation and population growth, their labor force increased by 368,000 while the number of persons holding jobs increased by 434,000 causing the unemployment rate to fall from .25 in 1964 to .20 in 1978. This represented significant improvement but the resulting unemployment rate was still twice as high as the unemployment rate for white young women.

By contrast, the position of black young men showed a major deterioration. As was the case with black and white teenagers, black and white young men had roughly equal labor force statistics in 1964. But here too, while whites maintained their position, the black position collapsed. Over the 14 years, the number of black young men in the age cohort increased by 476,000 but the number of black young men holding jobs increased by only 147,000. Because their labor force participation

also fell, the seriousness of the decline was not fully reflected in increasing unemployment rates. If, for example, their labor force participation rate had remained at its 1964 level, the 1978 employment/population ratio of .58 would have translated into an 1978 unemployment rate of .35 rather than its actual value of .23.

In summary, when one controls for macroeconomic conditions, the labor market for white teenagers has been improving over the last 14 years while the labor market for blacks has been declining and the labor market for black males has been declining drastically. As whites move from teenage labor markets to the labor markets for young adults, their unemployment rates drop to 10 percent, a level that is not utopian, but is within reason. By contrast, black young men and women have unemployment rates of 20 percent or more and the true condition of black young men is even more difficult than the unemployment rate suggests.

The Concentration of Teenage and Minority Teenage Unemployment

A focus on minority youth unemployment leads in practice to a focus on cities. The relationship between minorities and cities occurs for two reasons. First, when compared to the population as a whole, minorities live in cities, particularly the largest cities. Second, minority men have historically exhibited higher unemployment rates in cities than in other areas of the country. This combination of residential concentration and relatively higher unemployment rates (for men) creates a significant concentration of the unemployed.

When we speak of cities, we refer to jurisdictions of 50,000 or more. The Current Population Survey does not provide an easy basis to tabulate unemployment by such jurisdictions but it does provide a close substitute: an easy identification of persons who live in central cities of Standard Metropolitan Statistical Areas. Almost all central cities have a population of 50,000 or more, but not all cities of 50,000 or more are central cities. Thus, where all central cities comprise about 29 percent of the Nation's population, all cities of 50,000 or more comprise about 36 percent of the Nation's population. Nevertheless, the overlap of the two sets is close enough to permit the introduction of CPS tabulations.

The extent of residential concentration of blacks can be seen by using male teenagers in Table 3 as an example. If summed together, the data for black and white male teenagers indicate that 28 percent of male teenagers live in central Texas. But among white male teenagers per se, the proportion is 23 percent while among black male teenagers per se, the proportion is 58 percent.

The data for black male teenagers also demonstrates the relative disadvantage of black males who live in cities vis-a-vis black males who live outside cities. In 1978 among black male teenagers who were out of school, the employment population ratio was .44 for those who lived in cities and .61 for those who lived outside of cities. These kinds of differences (though often with smaller magnitudes) exist for black male teenagers and for black young men (in Table 4) in all of the years covered by the data. They serve to concentrate minority unemployment above the level implied by residential location.

The data in Table 5 shows that the central cities account for about 29 percent of the population, 33 percent of all unemployment, 36 percent of all teenage unemployment and 35 percent of unemployment among young men and women--numbers which are all of the same order of magnitude. By contrast, the same set of cities accounts for 58 percent of black teenage unemployment, 61 percent of black young adult unemployment and, in particular, about 66 percent of the unemployment of all black young males 16-24 years old.

Table 5 also contains information on a subset of all central cities, the central cities of the largest 35 SMSAs.[1] This data shows that the relative concentration of minority unemployment increases with city size. The set of large central cities accounts for about 17 percent of all teenage and young adult unemployment, but about 38 percent of all black teenage and young adult unemployment and about 45 percent of the unemployment among black male teenagers and young men.

The differences among these various distributions makes an obvious point: If a new program seeks to deal with minority youth unemployment, it cannot count on a per capita distribution, a distribution based on all unemployment, or even a distribution based on all teenage unemployment to target its funds correctly. We shall return to this point in Section IV when we examine the current CETA program.

[1]Not all of these SMSAs have central cities. One example is the SMSA for Nassau and Suffolk County in Long Island.

Table 3

Teenage*Labor Market Statistics Disaggregated by Race, Sex, School Status and Place of Residence
(Data in Thousands)**

	In Central Cities								Out of Central Cities								All			
	In School				Out of School				In School				Out of School							
	Pop	E/P	LFP	U	Pop	E/P	LFP	U	Pop	E/P	LFP	U	Pop	E/P	LFP	U	Pop	E/P	LFP	U
Black Males																				
1964	220	.18	.23	.24	103	.53	.85	.38	209	.18	.21	.14	112	.78	.83	.13	644	.33	.43	.23
1968	260	.17	.24	.31	138	.64	.83	.23	288	.23	.26	.13	121	.67	.83	.20	808	.34	.44	.23
1976	426	.09	.18	.48	192	.51	.79	.36	300	.07	.12	.40	155	.58	.78	.26	1,073	.23	.36	.35
1978	451	.09	.24	.62	168	.44	.75	.43	312	.16	.29	.42	136	.61	.79	.22	1,069	.23	.40	.42
White Males																				
1964	980	.32	.37	.15	341	.71	.93	.23	2,884	.35	.33	.16	883	.73	.89	.10	5,088	.38	.46	.17
1968	1,068	.27	.38	.28	343	.70	.82	.19	3,331	.30	.39	.11	982	.76	.84	.16	5,724	.49	.55	.11
1976	1,016	.39	.46	.15	585	.75	.87	.15	3,454	.34	.38	.21	1,911	.75	.88	.15	6,966	.45	.56	.19
1978	1,043	.34	.41	.17	561	.76	.88	.14	3,493	.34	.43	.20	1,876	.78	.89	.13	6,973	.50	.59	.15
Black Females																				
1964	174	.08	.11	.27	173	.28	.42	.34	238	.07	.12	.40	130	.30	.47	.37	715	.16	.25	.35
1968	281	.10	.19	.47	201	.41	.59	.30	259	.11	.12	.10	146	.35	.48	.26	887	.22	.31	.30
1976	401	.09	.19	.49	195	.37	.57	.34	356	.09	.16	.43	181	.37	.64	.43	1,133	.19	.32	.41
1978	393	.09	.20	.51	231	.30	.44	.33	348	.09	.18	.49	175	.31	.58	.46	1,147	.17	.31	.44
White Females																				
1964	968	.19	.23	.15	511	.53	.62	.15	2,750	.20	.23	.10	1,148	.49	.56	.11	5,377	.30	.34	.12
1968	950	.24	.28	.12	582	.60	.65	.09	3,207	.25	.28	.09	1,283	.56	.62	.11	5,072	.41	.46	.10
1976	879	.30	.36	.17	684	.63	.73	.14	3,405	.27	.34	.19	2,037	.61	.72	.16	7,005	.41	.49	.17
1978	904	.32	.39	.17	1,576	.60	.69	.13	3,401	.32	.38	.17	2,106	.62	.72	.13	6,987	.47	.55	.14

*Persons aged 16-19
**Observation refer to March of each year.

Table 4

Young Men and Women* Labor Market Statistic Rates Disaggregated by Race, Sex, School Status and Place of Residence

(Data in Thousands)**

	In Central Cities								Out of Central Cities								ALL			
	In School				Out of School				In School				Out of School							
Black Men	Pop	E/P	LFP	U	Pop	E/P	LFP	U	Pop	E/P	LFP	U	Pop	E/P	LFP	U	Pop	E/P	LFP	U
1964	22	.13	.13	-	290	.79	.90	.13	36	.50	.57	-	266	.88	.98	.10	615	.79	.88	.10
1968	34	.35	.35	0	338	.79	.88	.11	56	.35	.37	.05	290	.82	.90	.08	717	.75	.82	.09
1976	108	.08	.26	.69	458	.60	.86	.30	63	.05	.11	.50	387	.72	.83	.13	1,015	.56	.74	.24
1978	104	.07	.19	.64	500	.65	.87	.25	62	.05	.20	.75	425	.69	.84	.19	1,091	.58	.76	.23
White Men																				
1964	353	.34	.38	.10	1,198	.91	.98	.07	771	.27	.33	.18	2,720	.88	.96	.08	5,042	.76	.83	.09
1968	443	.31	.33	.07	1,195	.86	.91	.06	1,071	.34	.37	.07	2,975	.84	.89	.05	5,684	.71	.75	.06
1976	502	.32	.40	.19	1,721	.82	.93	.13	1,104	.31	.36	.13	4,687	.81	.92	.12	8,014	.71	.81	.12
1978	454	.29	.35	.18	1,847	.84	.93	.10	1,009	.35	.41	.13	4,994	.83	.92	.10	8,303	.75	.83	.10
Black Females																				
1964	38	.34	.34	-	445	.44	.57	.22	26	.10	.19	.55	243	.26	.38	.32	752	.36	.48	.25
1968	39	.10	.12	.16	464	.58	.65	.11	42	.06	.06	-	318	.45	.53	.14	863	.49	.55	.12
1976	109	.09	.14	.35	606	.47	.59	.19	49	.10	.18	.48	449	.51	.65	.22	1,213	.44	.56	.21
1978	120	.15	.24	.36	628	.52	.65	.20	82	.28	.38	.25	474	.57	.69	.17	1,304	.49	.61	.20
White Females																				
1964	156	.23	.32	.14	1,786	.55	.58	.07	353	.28	.32	.13	3,334	.44	.48	.08	5,629	.46	.50	.08
1968	249	.28	.31	.11	1,762	.60	.63	.05	645	.26	.28	.07	4,082	.52	.55	.06	6,738	.51	.54	.05
1976	317	.41	.43	.05	2,042	.65	.73	.10	785	.30	.34	.11	5,058	.60	.68	.11	8,202	.58	.65	.11
1978	338	.30	.35	.09	2,123	.67	.73	.08	817	.33	.37	.11	5,199	.65	.71	.09	8,487	.61	.67	.09

*Persons age 20-24,

**Observations refer to March of each year.

Table 5

Proportion of Population and Unemployment Statistics Accounted for by Central Cities

	Proportion in all Central Cities
1. Population of U.S.	.29*
2. All Unemployed Persons, March 1978	.33*
3. All teenage Unemployment	.36
4. All Unemployment Young Men and Women Adult Unemployment	.35
5. All Black Teenage Unemployment	.58
6. All Black Young Men and Women Unemployment	.61
7. All Black Male Teenage Unemployment	.67
8. All Black Male Unemployment	.64
Proportion in Central Cities of 35 Largest SMSAs	
9. Population	.15
10. Proportion of All Teenage Unemployment	.16
11. Proportion of All Young Adult Unemployment	.19
12. Proportion of All Black Teenage Unemployment	.38
13. Proportion of All Black Young Adult Unemployment	.38
14. Proportion of All Black Male Teenage Unemployment	.49
15. Proportion of All Unemployment of Black Young Men	.43

*Estimate derived from 1976 CPS. All other figures estimated from March 1978 CPS.

The Distribution of Criminal Behavior and Illegitimate Births

When people discuss the problem of teenage unemployment, they usually have in mind something larger than the absence of jobs. Included in this larger definition is an unfocused life which for young men may lead to crime and for young women may lead to illegitimate prognancies. As is well known, both phenomena are strongly concentrated among youth. But it is also true that both phenomena are significantly concentrated in cities.

The major source of national crime statistics are the Uniform Crime Reports published annually by the FBI.[1] While these reports contain data on a wide variety of crimes, those most often discussed are the seven crimes used in the FBIs national index. Included in this index are four violent crimes--murder, forcible rape, robbery and aggravated assault--and three crimes against property--burglary, larcenty-theft, and motor vehicle theft. In 1977, the FBI estimated a total of about 1 million violent Index Crimes and 9.9 million property Index Crimes for a total Index Crime Rate of 5,055/100,000 population. Put differently, a community of 50,000 with a crime rate at the national average could expect a total of about 7 Index Crimes per day including two violent Index Crimes every 3 days. The 1977 Index Crime Rate of 5,055/100,000 population is 50 percent higher than the Index Crime Rate was in 1968.

Numerous authors have discussed the relatively high propensity of youth to commit crimes--particularly violent crimes.[2] One indication of this relationship is contained in Table 6 which summarizes the information on the age of persons arrested for various Index Crimes. The data show that in 1977 about half of all violent Index Crimes were cleared by arrest and of those arrested, 57 percent were 24 years or younger. In the same year, 18 percent of crimes against property were cleared by arrest and of those averaged 78 percent were persons 24 or younger. If we combine this age distribution with the fact that four-fifths of those arrested were males, we can say that young men age 14-21 accounted for about 8 percent of the 1977 U.S. population but they accounted for about 44 percent of all arrests in 1977 for Index Crimes.

[1] Crime in the United States, 1977, authored by the Federal Bureau of Investigation, U.S. Department of Justice, (Washington, D.C.: U.S. Government Printing Office, 1978).

[2] See for example, Barbara Boland and James Q. Wilson, "Age, Crime and Punishment," The Public Interest, Spring 1978, pp. 22-34, and the references cited therein.

Table 6

Number of Crimes, Proportion of Crimes Cleared by Arrest and Proportion of those Arrested who are Teenagers or Young Adults, 1977

	Number	Proportion Cleared by Arrest	Proportion of those Arrested under 25
Violent Crime	1,009,500	.48	.57
Murder	19,120	.75	.33
Aggravated Assault	522,510	.62	.49
Forcible Rape	63,020	.51	.56
Robbery	404,850	.27	.74
Crimes Against Property	9,926,300	.18	.78
Burglary	3,052,200	.16	.84
Larceny-Theft	5,905,700	.20	.73
Motor Vehicle Theft	968,400	.15	.83

Source: Crime in the United States, 1977. Crime figures include estimates for non-reporting agencies which are mostly rural.

The impact of crime on both the criminal (if caught) and the community is well known. What is less well known is crime's geographic distribution.

In recent years, there has been widespread discussion about the increase in crime in the suburbs. While this trend is important, it obscures the fact that suburban crime statistics, whatever their growth rate, begin from a relatively low base and so still lie below the crime rates of cities.

Table 7 contains Index Crime Rates for all agencies who made crime reports to the FBI in 1977. The reporting agencies serve about 90 percent of the U.S. population including almost all cities of 50,000 or more. In Table 7, the data is presented for all reporting agencies and then is divided into two sets: statistics for all reporting cities of 50,000 or more, and statistics for the rest of the sample. The table also includes statistics for a subset of all the cities--twenty-six large cities containing populations of 500,000 or more.

The differences in crime rates among these sets is striking. To interpret them, it is again convenient to think of a ficticious community with population of 50,000. If this community had a crime rate equal to the average for all cities 50,000 or more, it could expect 9.9 Index Crimes per day including something over one violent Index Crime per day. At crime rates equal to those among the rest of the sample, it would expect about 5 Index Crimes per day including one violent Index Crime every three days. And finally, if the community had crime rates equivalent to that of the biggest cities, it would expect almost 11 Index Crimes per day and one-and one-half violent Index Crimes per day.

In summary, cities over 50,000 account for about 36 percent of the nation's population but account for about 52 percent of the nation's Index Crime. Cities over 500,000 account for 14 percent of the nation's population but account for 22 percent of all Index Crime including 35 percent of all violent Index Crimes.

Illegitimate Births

The major source of statistics on the number of illegitimate births is the National Center for Health Statistics of the Department of Health, Education and Welfare.1/ These statistics are based on a combination of annual state reports together with estimated figures where state reporting is incomplete.

1/ Vital Statistics of the U.S., 1975, Vol. I-Natality, published by the Public Health Service, National Center for Health Statistics, U.S. Department of Health, Education and Welfare, (Washington, D.C.: U.S. Government Printing Office, 1978).

Table 7

Index Crimes and Crime Rates by Size of Jurisdiction

Reporting Units	Violent Index Crimes	Property Index Crimes	All Other Crime
All Reporting Agencies (containing 193.7 million persons)	953,663	9,198,711	10,152,374
Cities of 50,000 or more population (containing population of 75.5 million)	624,692	4,861,698	5,459,390
Remainder of Reporting Agencies (containing population of 118.3 million)	328,971	4,337,013	4,692,984
Crime Rate for all Agencies per 100,000 persons	492.2	4,747.5	5,239.7
Crime Rate in Cities over 50,000 per 100,000 population	827.89	6,443.09	7,235.20
Crime Rate in Remainder of Country	278.07	3,665.99	3,966.89
26 Cities of 500,000 population or more (containing population of 31 million)	351,787	2,045,088	2,396,825
Crime Rates for Cities of 500,000 or more	1,132	6,583	7,713.0

Source: Crime in America, op. cit., p. 153.

An overview of these statistics for 1960 and 1975 is contained in table 8. Between 1960 and 1975, the number of illegitimate births in the country rose from 224,000 to 447,900, a growth rate of about 4-1/2 percent per year. Over the same time, the total number of births in the country was falling sharply from 4.3 million in 1960 to 3.1 million in 1975. Together these opposing trends provide a dramatic contrast. In 1960, one out of every nineteen children was born out of wedlock. By 1975 the number had risen to one out of seven.

It is useful to think of the increase in illegitimacy in terms of three factors: an increasing population (and so an increased absolute number of unmarried women); an increase rate of illegitimacy among unmarried women; and a changing age distribution of mothers of illegitimate children. As shown in table 8, the total rate of illegitimacy has not changed dramatically over time. In 1960, there were 21.6 illegitimate births per 1,000 unmarried women, compared to 24.8 in 1975. But this moderate increase in the overall rate contains a significant shift in the rates for different age groups. Over the 1960-75 period, the rate of illegitimate births for teenagers rose from 15.3 to 24.2 while the rates for older women fell by almost equivalent amounts.

The impact of a child upon a teenager's life has been documented in a series of studies by Kristin A. Moore and her associates. 1/ Even legitimate teenage pregnancies lead to lower education, lower earnings, and higher probabilities of ultimate marital dissolution and welfare dependency. When the child is born out-of-wedlock, the likelihood of these negative effects all increase. Again, however, the geographic distribution of such illegitimate births has been less well documented.

The relationship between illegitimate births and cities is based on incomplete data because only 37 states actually identify those live births that are illegitimate. The 14 non-reporting states (including the District of Columbia) account for about one-third of all live births and one-third of all illegitimate births. Correspondingly, there is no reason to believe that a relationship derived from this two-thirds sample is biased. 2/

1/ See, for example, Kristin A. Moore, Sandra L. Hofferth, Steven B. Caldwell, and Linda J. Waite: Teenage Motherhood; Social and Economic Consequences, Urban Institute Publication 24300, Jan. 1979, and the publications referenced therein.

2/ Unfortunately, however, the nonreporting states include some of the biggest cities: Boston, New York City, Los Angeles, Baltimore, and so on. In analyzing both minority youth unemployment statistics and crime statistics, we showed that cities of over 50,000 have concentrations of these statistics above that predicted by their population. We also showed that relative concentrations increased as city size increased. The absence of illegitimacy data for specific big cities precludes us from looking at that second issue here.

Table 8

Summary Statistics on Illegitimate Births

	1960	1975
Estimated Total Live Births	4,257,850	3,144,198
Estimated Illegitimate Births	224,300	447,900
Estimated Rate of Illegitimate Births Per 1,000 Unmarried Women age 15-44	21.6	24.8
Estimated Rate of Illegitimate Births Per 1,000 Unmarried Women age		
15-19	15.3	24.2
20-24	39.7	31.6
25-29	45.1	28.0
30-34	27.8	18.1

Source: National Center for Social Statistics, op. cit., pp I-6, I-45, I-46.

Data on the relationship appears in table 9. In the reporting states, jurisdictions of over 50,000 account for 36 percent of all live births but 51 percent of all legitimate births. The data from these reporting states also shows that 83 percent of all illegitimate births involved mothers who were under 25 years of age.

Note that the data for illegitimate births parallels the data for FBI Index Crime quite closely. In the crime data, jurisdictions of over 50,000 accounted for about 36 percent of the population and 52 percent of all Index Crime. In the birth data, jurisdictions of over 50,000 accounted for 36 percent of all live births but accounted for 51 percent of all illegitimate births. In each case, the statistics show a problem whose concentration is about 45 percent higher than population alone would suggest.

Table 9

	Live Births	Illegitimate Births
(1) All States	3,144,198	447,900
(2) Reporting States	2,169,279	303,043
(3) In Reporting States in Places of 50,000 or More	752,850	153,303*
(4) (3)/(2)	.36	.51

*Proportion of illegitimate births in reporting states to women under 25 years of age = .83.

Source: National Center for Health Statistics, op. cit.

The Distribution of CETA Funds

To this point we have argued that the most serious aspects of the youth employment problem involve minority youth unemployment (particularly among young men), crime, and illegitimate births. We have shown that by any of these criteria, the group of cities with population over 50,000 have concentrations of these problems between 45-100 percent above their proportion of the nation's population. Moreover, the data on employment and crime suggests an even greater relative concentration among the biggest of these cities. It follows that any federal program largely aimed at these problems should allocate funds to these cities in a similar disproportionate way.

In this section, we examine how such a disproportionate allocation compares to the current allocation of the various titles of the Comprehensive Employment and Training (CETA) program.

CETA represents the primary effort of the federal government to train, and in cases, directly employ disadvantaged workers. At a general level, the bill can be divided into six parts:

Title II, Parts A, B, and C	- Employment and Training, Financial Assistance, and Upgrading and Retraining, respectively.
Title II, Part D	- Transitional Employment Opportunities
Title IV, Part A	- Youth Community Conservation Improvement Project (YCCIP)
Title IV, Part A	- Youth Employment and Training Program (YETP)
Title IV, Part C	- Summer Youth Program
Title VI	- Countercyclical Public Service Employment Program

Each of the programs listed above has its own allocation formula. The YETP portion of Title IV provides a representative example:

Allocation Formula for YETP Funds

(1) 16 percent of all funds are allocated by the Secretary of Labor at his discretion.

(2) 5 percent of all funds are divided among the governor of all states for them to allocate for special services.

(3) 2 percent are reserved for native Americans.

(4) 2 percent are reserved for migrant and seasonal farmworkers.

Subtotal 25 percent

(5) 28.125 percent is allocated to prime sponsors according to the number of unemployed persons in the prime sponsor area relative to the number of unemployed persons in the nation.

(6) 28.125 percent is allocated to prime sponsors according to the number of unemployed persons in the prime sponsor area who are in excess of a 4.5 percent unemployment rate, relative to the total number of such persons in the nation.

(7) 18.75 percent is allocated to prime sponsors according to the number of persons who lived in the prime sponsor area in families with incomes of less than $12,000 per year, relative to all such persons in the nation.

Subtotal 75 percent

Grand Total 100 percent

The formulae for other CETA titles are generally similar. Some do not have the set-asides for special groups. Some distribute part of their 1979 funds according to what a prime sponsor received in 1978. In general, however, all of the CETA formulae are limited to one or more of the following variables:

Variables in Current CETA Formulae

The total number of unemployed persons within a prime sponsor area.

The total number of unemployed persons within a prime sponsor area who are in excess of a 4.5 percent unemployment rate.

The total number of persons in a prime sponsor area who come from families making less than $12,000 per year.

The prime sponsor's share of program funds in previous years.

In practice, none of these variables forces a dramatic skewing of funds for cities. As regards unemployment per se, we saw in table 5 that central cities as a group had a share of total unemployment that was not much different from their share of population as a whole.

The number of excess of a 4-1/2 percent unemployment rate creates, some concentration of funds on the most depressed cities but some rural areas also experience high unemployment and the net effect in favor of cities is not great.

A similar problem exists with low-income persons. Many of the unemployed in cities have low incomes but the formula focuses on the incomes of all persons, whether or not they are unemployed. On average city populations have higher incomes than some rural areas, particularly areas in the South. As a result, this variable tends to shift money toward cities, vis-a-vis suburbs, and toward the South vis-a-vis the rest of the nation. On balance, the variable causes cities to gain only slightly.

The absence of a strong bias toward cities is illustrated in table 10 which contains data on CETA allocations and local labor force statistics for a sample of 18 big cities. Each of the cities is a central city in one of the largest 21 SMSAs in the country. 1/ In almost every case the city itself is a CETA prime sponsor and so it is possible to identify the city's share of CETA formula funds. Local labor force statistics for the cities come from the Bureau of Labor Force Statistics' Office of Local Areas Unemployment Statistics. While the office makes this data available to the public, the data, particularly for subgroups,--e.g., black males, ages 16-19--is based on very small samples and does not meet the BLS Standards for officially published data. To compensate for some of these small samples, we will not examine the numbers on a city-by-city basis but will discuss all 18 cities as a group.

1/ One of the SMSAs, Nassau-Suffolk, was omitted because it does not have a central city. Two other SMSAs were omitted because their central cities had labor force statistics too small to be intelligible from the BLS data (all of which is founded to the nearest thousand.)

Table 10

Labor Market Statistics and FY 1979 CETA Allocations for 18 Large Cities Received (in millions of dollars)

	Numbers of Unemployed (rounded to nearest thousand)													
	Estimated 1976 Population (in 000's)	Estimated Total Income	All Unemployed ages 16-19	All Unemployed ages 20-24	All Nonwhite Unemployed ages 16-19	All Nonwhite Unemployed ages 20-24	All Nonwhite Male Unemployed ages 16-24	Title II ABC	Title III D	Title V	YCCIP	YETP	Summer Youth	Grand Total	
New York	7,423	270	41	56	15	21	22	68.83	112.55	178.84	3.38	17.17	33.30	414.06	
LA-Long Beach	3,082	112	23	26	9	9	10	29.61	43.59	80.72	1.51	7.42	13.26	182.12	-Summed for
Chicago	3,074	116	26	36	14	28	27	27.00	40.22	67.41	1.29	6.56	25.50	167.98	Los Angeles
Philadelphia	1,797	60	15	27	11	20	19	16.37	27.51	44.24	.90	4.23	6.57	99.83	and Long Beach
Detroit	1,314	61	16	14	13	11	12	14.76	22.45	37.01	.75	3.57	7.54	86.08	
SF-Oakland	995	52	6	12	6	7	8	12.38	19.57	31.71	.59	2.74	5.97	72.96	-Summed for
Wash. D.C.	700	28	6	6	6	5	7	11.41	10.40	17.50	.40	1.81	8.68	50.19	S.F. and Oakland
Boston	618	20	5	4	3	1	1	7.02	11.20	18.77	.35	1.62	3.46	42.42	
Pittsburgh	449	16	3	3	1	0	1	5.37	6.80	10.56	.22	1.11	3.43	27.50	
St. Louis	519	21	5	4	4	4	4	5.70	9.05	13.66	.26	1.30	3.77	33.73	
Baltimore	827	39	11	16	9	14	11	15.70	22.04	38.75	.80	3.89	6.71	87.89	-Consortium
Cleveland	626	24	6	5	4	3	4	12.56	14.26	22.56	.57	2.20	6.54	58.69	-Consortium
Houston	1,445	36	10	7	5	4	7	9.21	10.67	17.63	.48	1.84	3.71	43.55	
Newark	331	14	2	5	2	3	3	6.56	9.09	15.03	.29	1.34	4.59	36.90	
Minn.-St. Paul	644	13	3	5	0	1	0	5.47	6.98	10.08	.23	.66	2.51	25.93	-Summed for Minn.
Dallas	849	23	6	5	3	2	2	4.99	4.39	6.33	.24	.85	2.06	18.85	and St. Paul
Milwaukee	661	19	6	4	2	2	2	6.79	10.28	17.11	.36	1.69	2.78	39.02	-county CETA agency
Atlanta	426	12	3	2	2	1	3	5.72	8.86	13.86	.30	1.40	2.54	32.68	
(1) Totals	25,780	956	193	237	109	136	143	265.46	395.91	641.77	12.92	63.02	142.95	1520.38	
(2) National Totals	213,000	6,047	1,559	1,425	381	395	383	1931.74	2443.77	3759.32	84.05	429.36	719.48	9367.72	
(3) (1)/2	.12	.158	.126	.166	.29	.34	.37	.14	.16	.17	.15	.15	.20	.16	

NOTE: In the case of a consortium or county, the allocation of funds consortium listed exceeds the allocation actually going to the city itself.

In table 10, we can see the same disproportions we have seen in previous sections of this paper. As a group, the 18 cities contain about 12 percent of the nation's population, 16 percent of the nation's 1978 unemployment, 13 percent of the nation's teenage unemployment and 17 percent of the nation's unemployment for young men and women, aged 20-24. At the same time, the cities contain 29 percent of the nation's nonwhite teenage unemployment, 34 percent of the nation's nonwhite young adult unemployment, and 37 percent of the unemployment among nonwhite males ages 16-24.

We noted above that little in the CETA formulae tends to heavily favor cities. This is shown in the data for CETA allocations. As a group, the 18 cities receive between 14 percent and 17 percent of most of the CETA titles, a figure roughly in line with their share of total unemployment. To be sure, the figure is above the share the cities would receive on the basis of their population 1/ but it is about half the figure they would receive on the basis of their minority youth unemployment. The one partial exception to this allocation is the summer youth program: here central cities receive about 20 percent of all funds.

These disproportions are not necessarily a criticism of the current CETA program. Many of the current CETA titles were designed to combat labor market problems in general, not just the severe problems of youth, and thus there is no reason why they have a particularly heavy focus on cities. But if a new program is designed with a particular focus on the most serious of youth problems, the data in table 10 indicate that existing CETA formulae would make a poor distribution vehicle.

1/ There are two potentially offsetting inaccuracies in the data. First, the prime sponsors for Baltimore, Cleveland and Milwaukee serve areas bigger than the central cities alone and so their allocations in table 11 overstate funds actually going to the central cities. Second, the allocations in table 11 concern formula grants only and do not take account of any discretionary CETA funds which central cities may get from either the governors or the Secretary of Labor.

Conclusions

In this paper, we have argued that cities contain a disproportionate share of the most serious of youth problems: minority youth unemployment, crime (particularly violent crime), and illegitimate births. Cities of over 50,000 population contain about 36 percent of the nation's population but account for over one-half of all FBI Index Crime and illegitimate births, and about two-thirds of all minority youth unemployment.

Before a formula can target funds on these problems, it must deal with a number of obstacles. One such obstacle is the reliability of data. A seemingly direct way to allocate money would be to give direct weight to minority youth unemployment itself. But CETA officials are quick to point out that prime sponsor statistics for all workers--e.g., total number of unemployed--are of questionable validity. Statistics for portions of the labor force like minority youth would be subject to substantial controversy and dispute.

Alternatively, a new distribution formula might try to generate new data series which could better focus funds on cities. One often used variable of this type is the number of AFDC cases in jurisdiction, a variable strongly associated with urban distress. The variable has additional justification because young men coming from AFDC homes seem to have particularly high rates of unemployment, all other things held constant. But utilizing this variable would require prime sponsors to collect an entirely new data series, a difficult and time consuming process.

Even the total population of a prime sponsor area is a poor indicator since some prime sponsors contain large numbers of persons thinly spread over large, non-urban, geographic areas.

In the end, it may be that the simplest way to deal with the targeting problem is to provide a bonus in the formula for prime sponsors who serve central cities of SMSAs. Such a formula would not be based directly on youth problems as we have defined them, but it would exploit the strong association between these problems and large urban jurisdictions. As noted earlier, the set of all central cities contains about 20 percent less population than the set of all cities of 50,000 or more, but the overlap is substantial and the reliance on central cities *per se* avoids constructing a whole new set of definitions.

To create such a central city bonus contradicts the normal tendencies toward uniform geographic distribution. It requires in particular, acknowledging that minority youth unemployment is a relatively more severe problem than youth employment in general. For all parties concerned, discussion of this point can become sensitive and painful. Yet to avoid the issue is to risk spending money where it is not really needed.

YOUTH EMPLOYMENT POLICY BACKGROUND MATERIAL

by

Robert Taggart

and

Brian Linder

Office of Youth Programs

Department of Labor

I. YOUTH EMPLOYMENT PROBLEMS:

THE CONTEXT AND THE PARAMETERS

Youth employment problems must be considered in context. The teen years are a period of dramatic change, revolving around the transition from school to work. There is not one youth employment problem, but a vector of problems affecting youth at different ages in this process. The problems vary for every individual, but bear a statistical relationship to basic factors such as race, sex, family income and education.

Chart 1. The Transition From School to Work:

At the ages of 14 and 15, almost all youth are enrolled in school and only a fifth in the labor force. By age 20 and 21, less than a third are enrolled while four-fifths are in the labor force.

Chart 2. Occupational Distribution of Full-Time and Part-Time Youth Workers:

There are major changes between the teens and early twenties in the types of jobs youth can find and hold. Teen jobs are primarily part-time, as farmworkers, laborers, private household workers and other service workers. By the early twenties, employed youth are mostly full-time workers with the occupational patterns of the adult labor force.

Chart 3. Increasing Earnings:

With the shift towards a more "adult-like" occupational distribution, hourly and annual earnings increase. Employed 14- and 15-year-olds tend to earn below the minimum wage in uncovered occupations, while 20- to 21-year-olds earn wages substantially higher than the minimum.

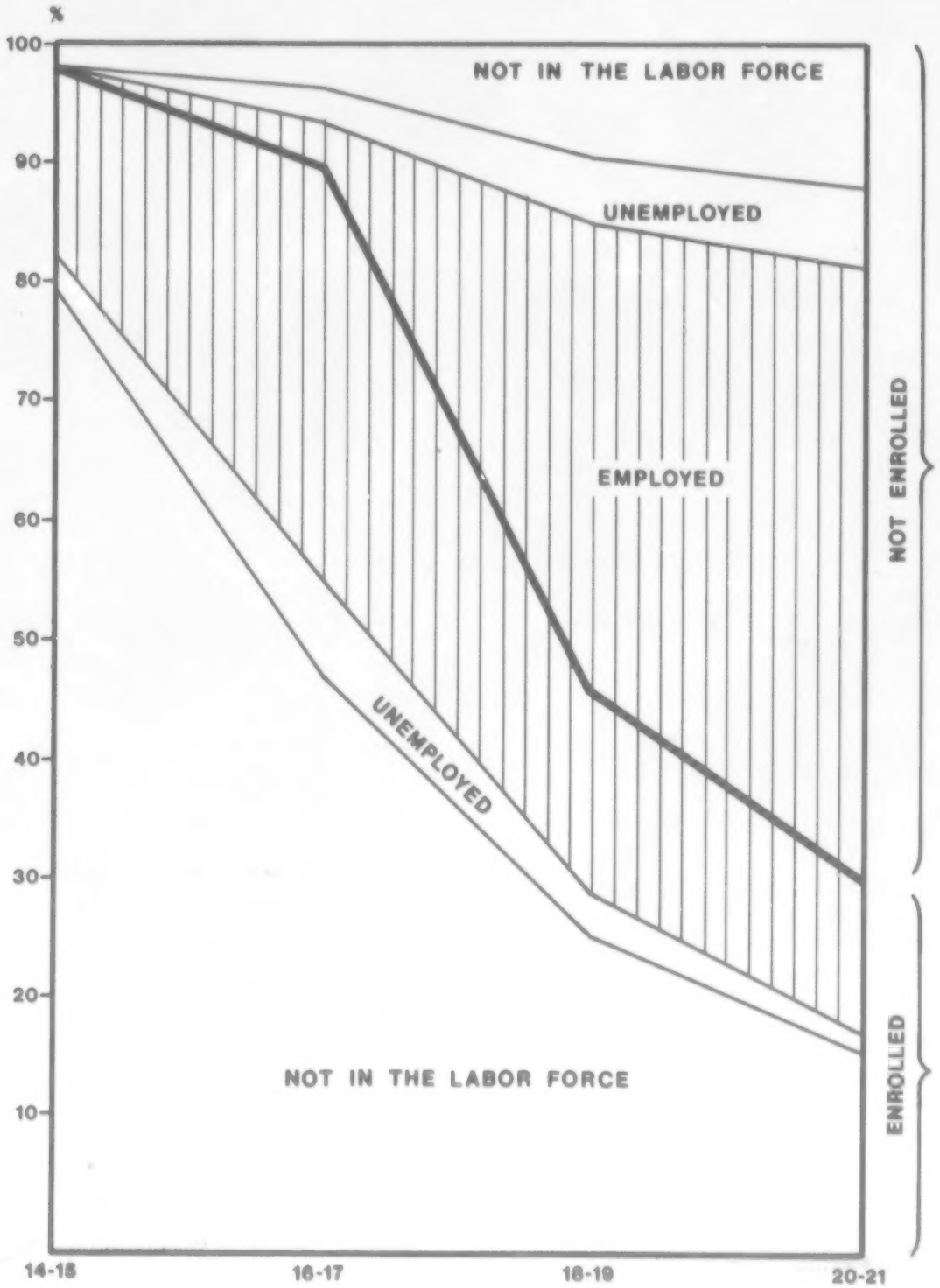
Chart 4. Employment Problems and Race:

Black and Hispanic youth are burdened by higher unemployment rates and lower employment/population ratios. These racial differentials decrease with age, but hourly earnings differentials widen between the teens and twenties.

Chart 5. Employment Problems and Sex:

Young males have greater probability of employment, lesser chances of unemployment and higher earnings than females. The earnings gap between males and females widens between the

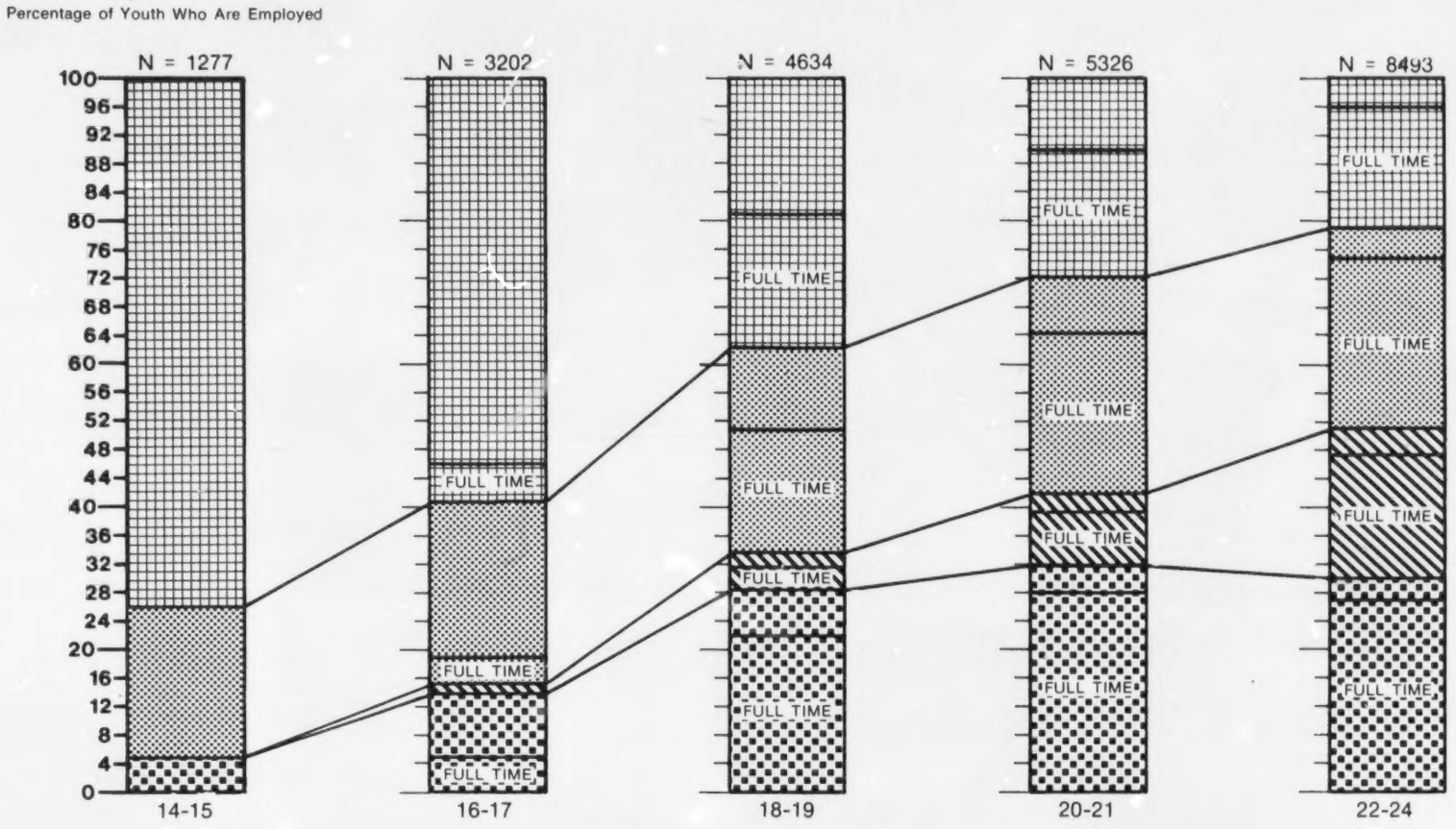
Chart #1 THE TRANSITION FROM SCHOOL TO WORK



SOURCE: Bureau of Labor Statistics. *Survey of School Age Youth*, Oct. 1978

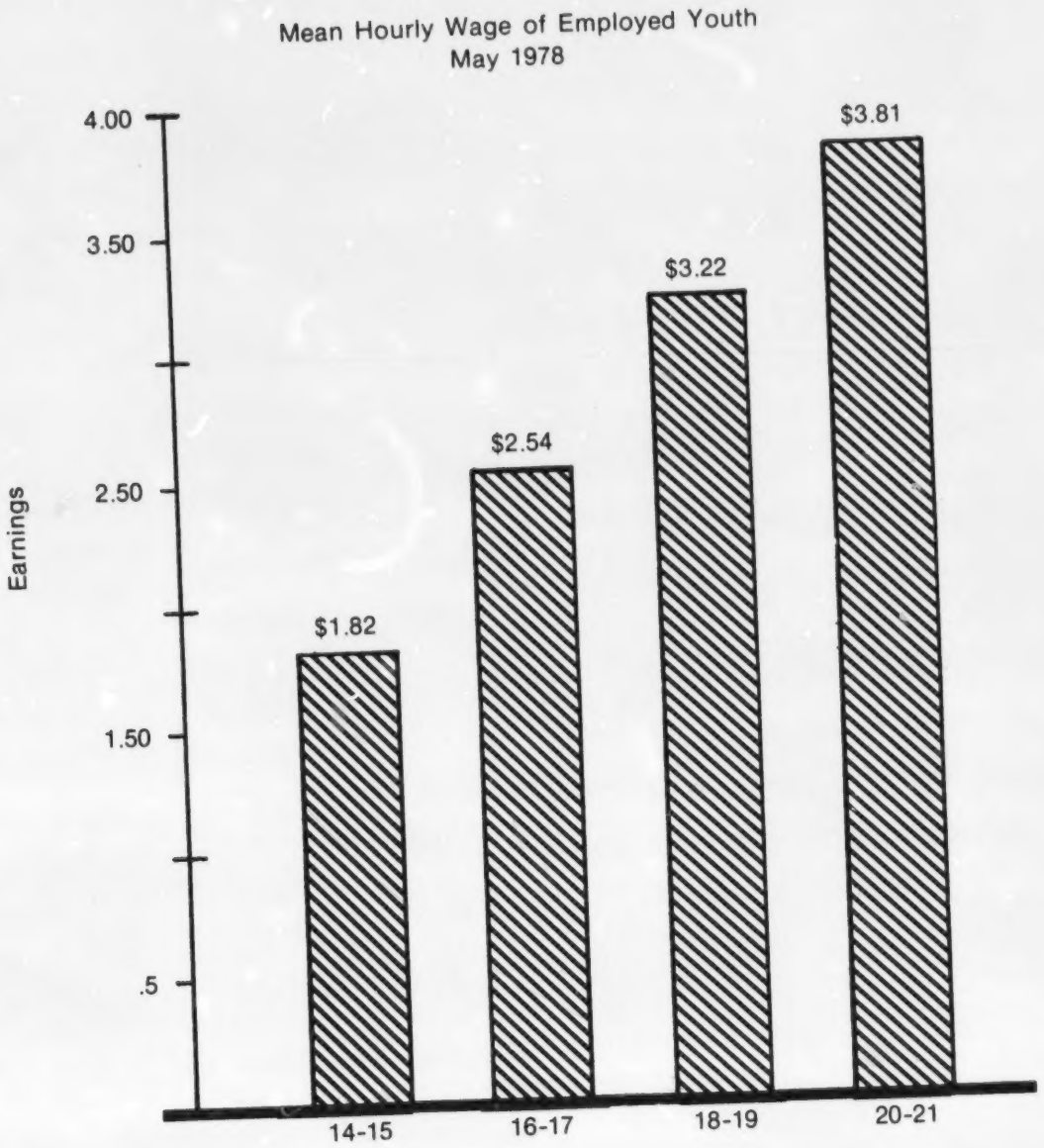
Chart #2 OCCUPATIONAL DISTRIBUTION OF FULL-TIME AND PART-TIME YOUTH WORKERS

October 1978



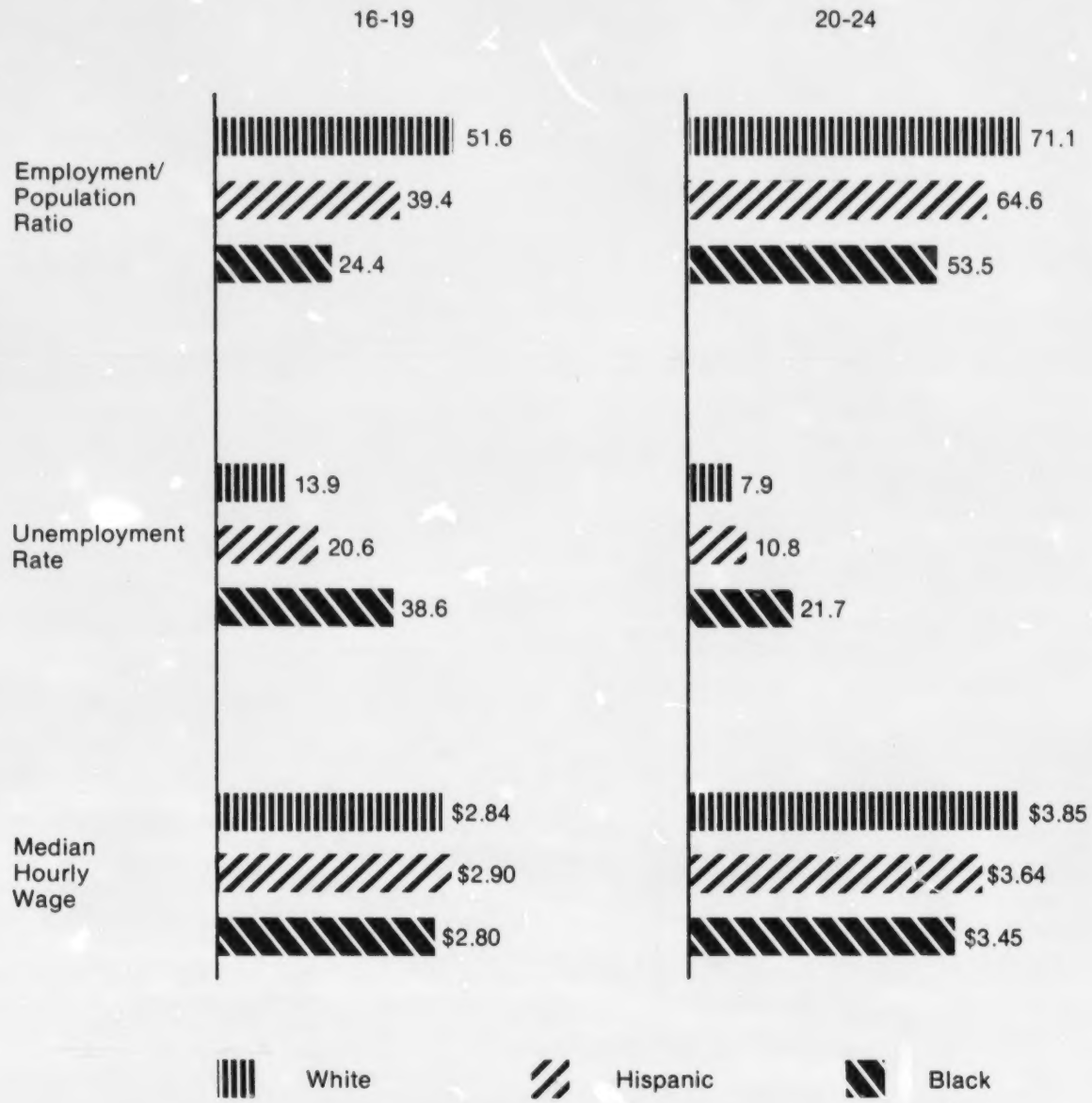
SOURCE: Bureau of Labor Statistics. *Survey of School Age Youth*, Oct. 1978

Chart #3 INCREASING EARNINGS



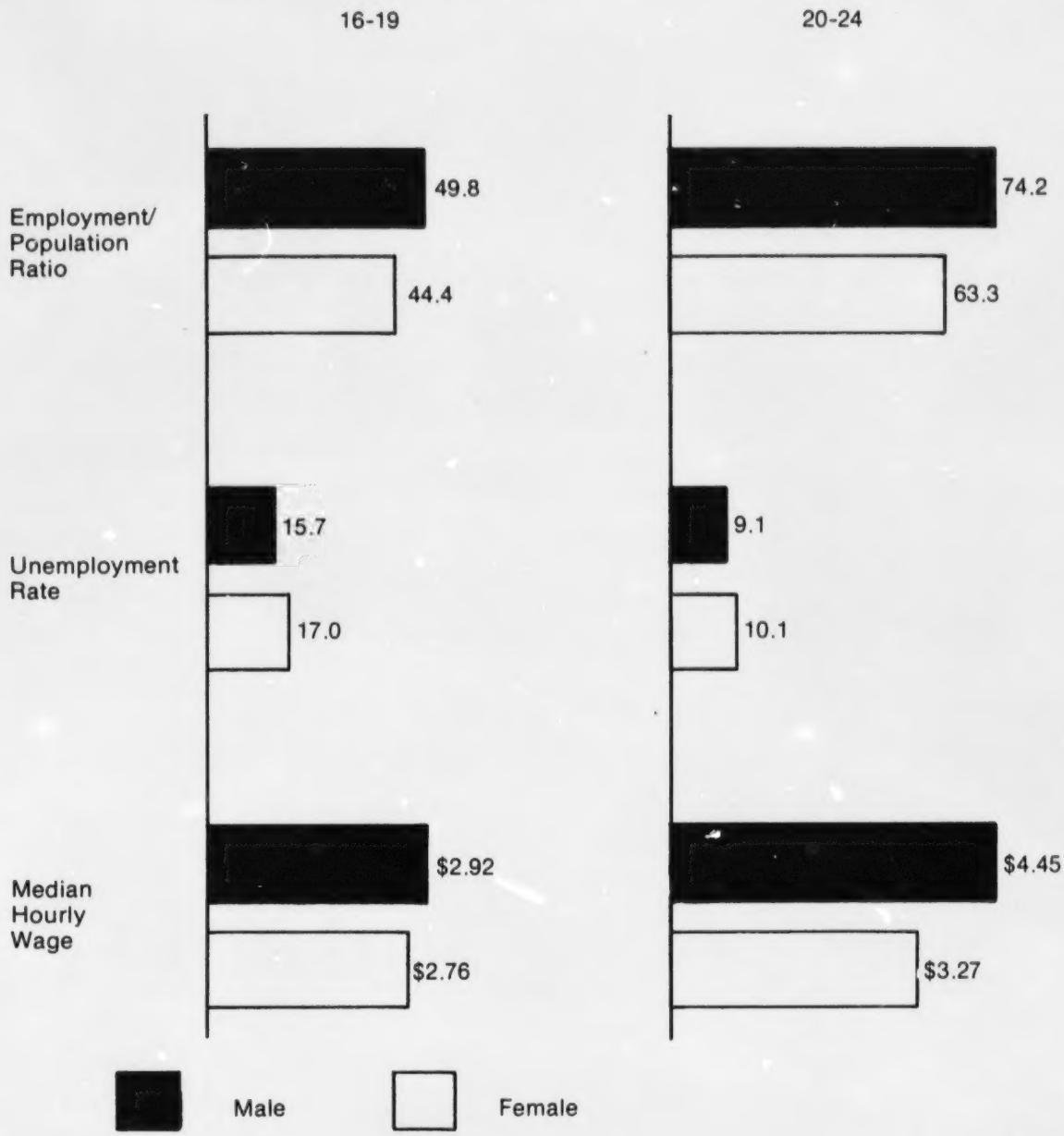
SOURCE: Bureau of Labor Statistics.

Chart #4 EMPLOYMENT PROBLEMS AND RACE



SOURCE: Bureau of Labor Statistics.

Chart #5 EMPLOYMENT PROBLEMS AND SEX



SOURCE: Bureau of Labor Statistics.

teens and twenties as young adult females move into lower paying employment patterns which may last a lifetime.

Chart 6. Youth Employment Problems and Poverty:

Unemployment among youth from poor families is more than twice as high as unemployment among all youth. The relative position for those of low socioeconomic background does not improve with age.

Chart 7. Location and Youth Employment Problems:

Unemployment among all youth is highest in our Nation's urban centers. Nonwhite youth are most affected. The chances of employment for nonwhite central city youth are only three-fifths those of white suburban youth.

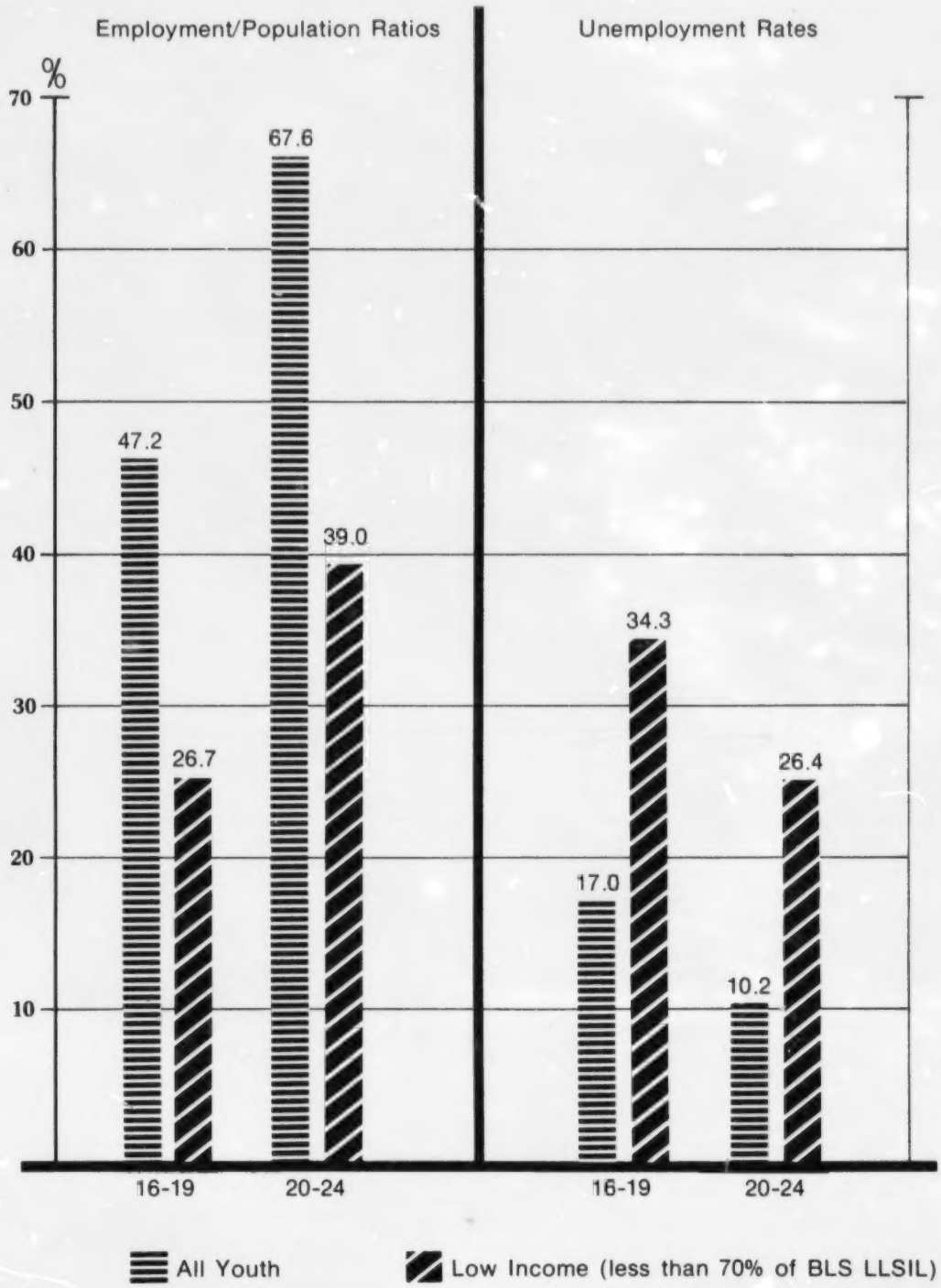
Chart 8. Employment/Population Ratios - The Multiple Factors:

Age, sex, race, school attendance, and school completion status all affect the chances of employment. The probability of working for any individual is determined by all these variables.

Chart 9. Unemployment Rates - The Multiple Factors:

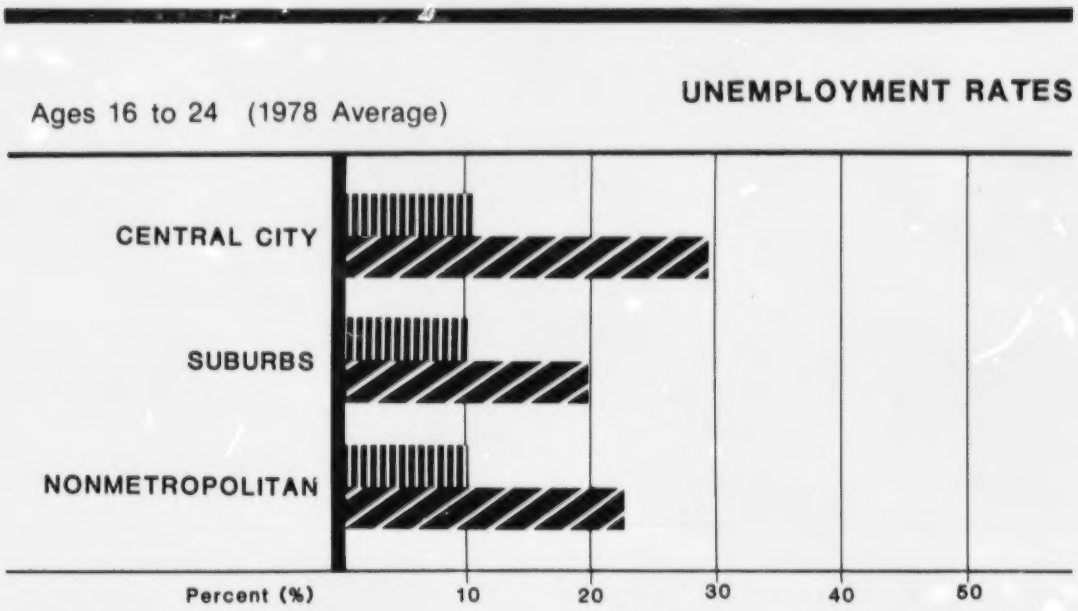
Nonwhites not enrolled in school have the highest unemployment rates. The chances of unemployment among dropouts are double those of graduates.

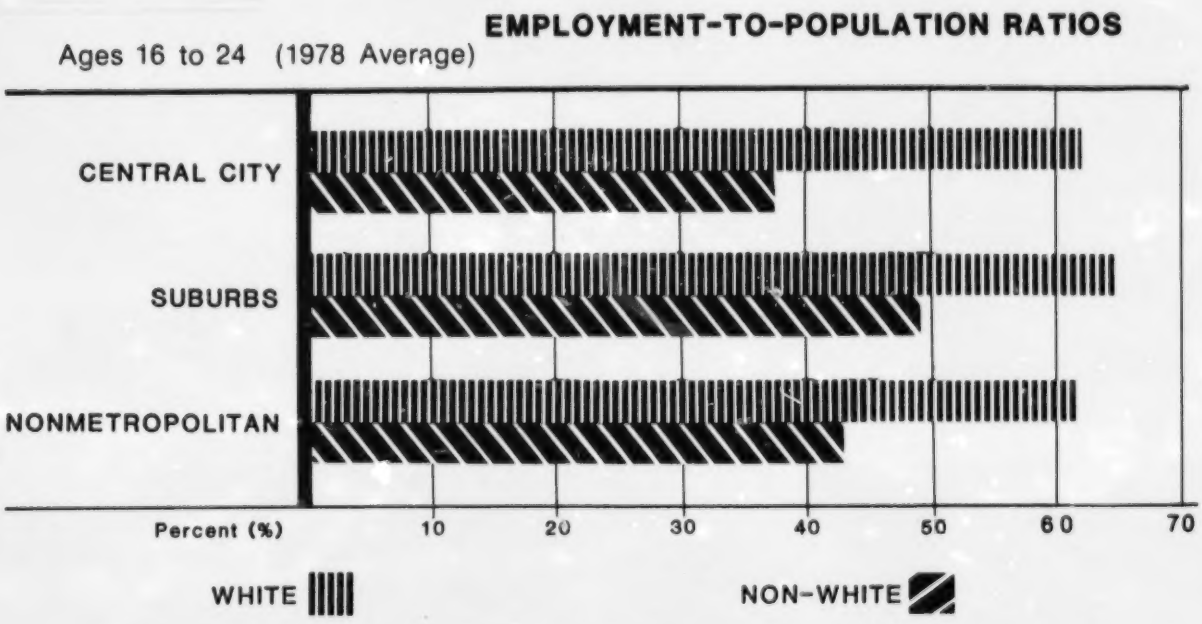
Chart #6 YOUTH EMPLOYMENT PROBLEMS AND POVERTY



SOURCE: Bureau of Labor Statistics, *Current Population Survey*, March 1978

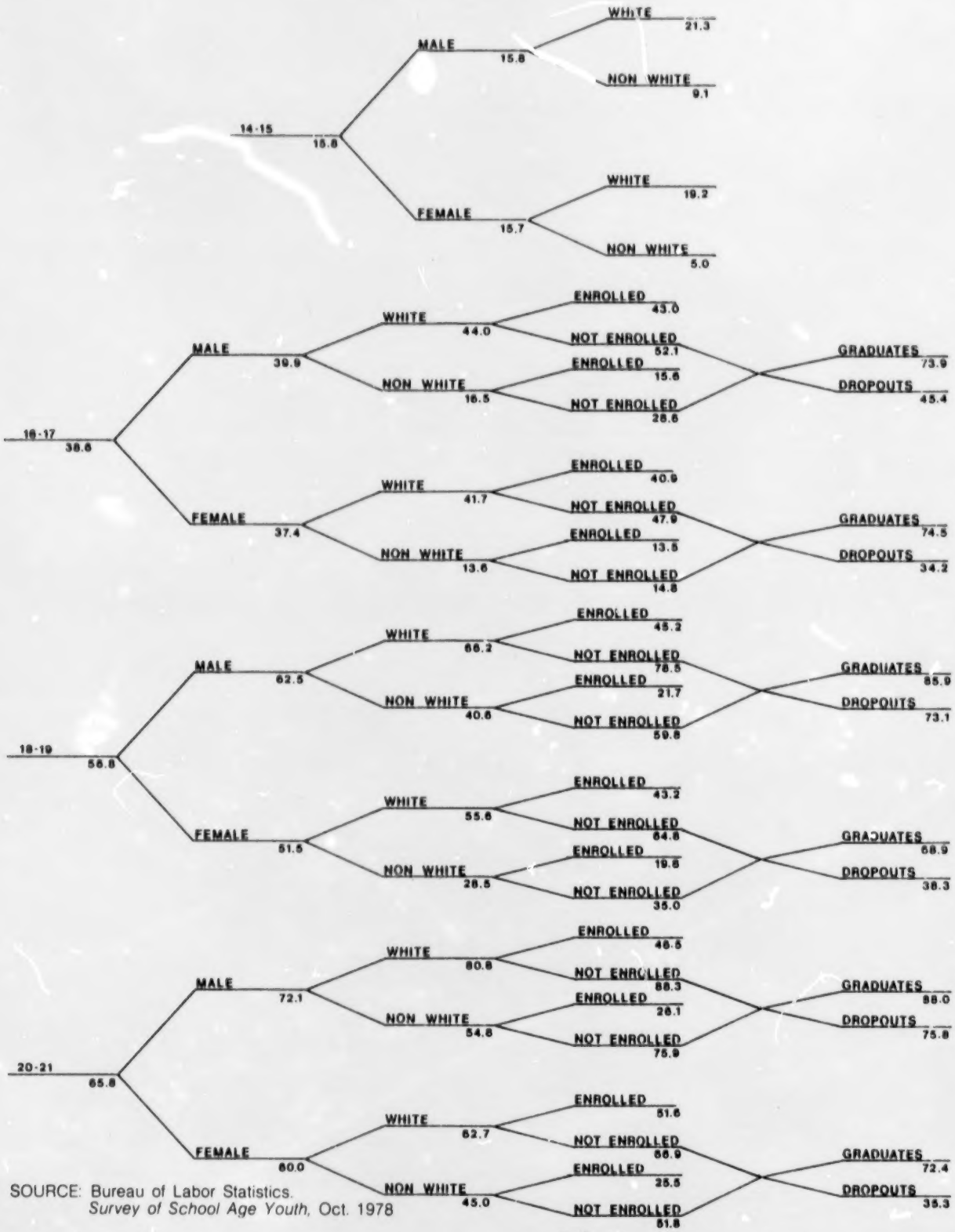
Chart #7 LOCATION AND YOUTH EMPLOYMENT PROBLEMS





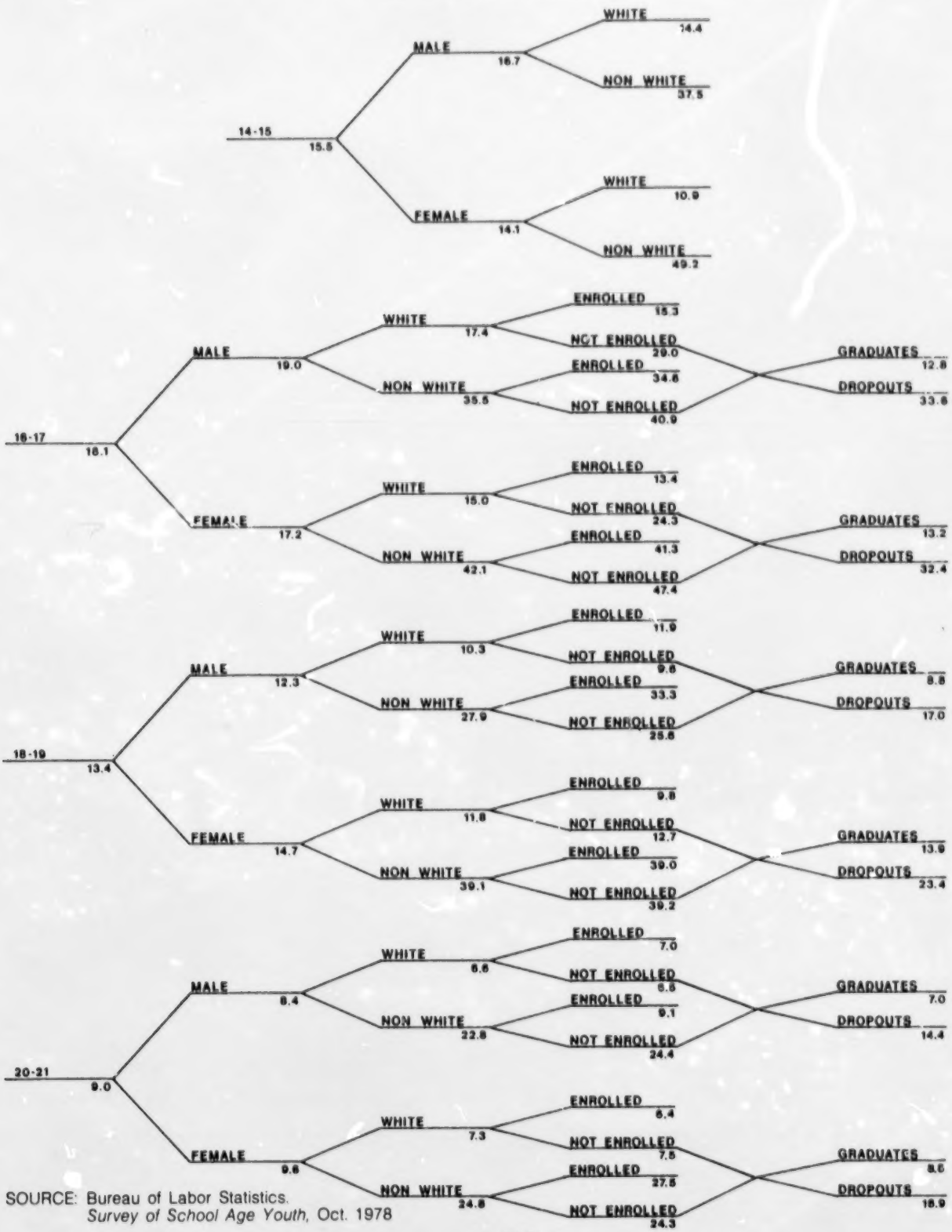
SOURCE: Bureau of Labor Statistics

Chart #8 EMPLOYMENT/POPULATION RATIOS
The Multiple Factors



SOURCE: Bureau of Labor Statistics.
Survey of School Age Youth, Oct. 1978

Chart #9 UNEMPLOYMENT RATES
The Multiple Factors



SOURCE: Bureau of Labor Statistics.
Survey of School Age Youth, Oct. 1978

II. YOUTH EMPLOYMENT PROBLEMS:

THE UNDERLYING TRENDS

Youth employment problems have intensified in both absolute and relative terms over the last decade. Demographic trends have been and will continue to be a major factor. Racial differentials have increased. Educational gains have been substantial but are now leveling off.

Chart 10. Youth Population as a Percent of the Total Working Age Population:

The proportion of youth in the total working age population has reached a peak and will decline during the 1980's.

Chart 11. Projections of Labor Force Composition:

The number of youth in the civilian labor force will soon peak and decline thereafter. This factor should ease the job competition among youth.

Chart 12. Growth of the Youth Population by Race:

Though the growth of the youth cohort has peaked, the nonwhite youth population has and will continue to grow faster than white youth. Since the problems of nonwhites have grown worse even in periods when the problems of whites have eased, it is likely that the racial dimensions of youth employment problems will be exacerbated.

Chart 13. Civilian Labor Force Participation Rates of Teenagers:

Through the late 1950's and early 1960's, the nonwhite participation rate mirrored the rate of whites. Since then the rate for whites has steadily increased while the rate for nonwhites has fallen.

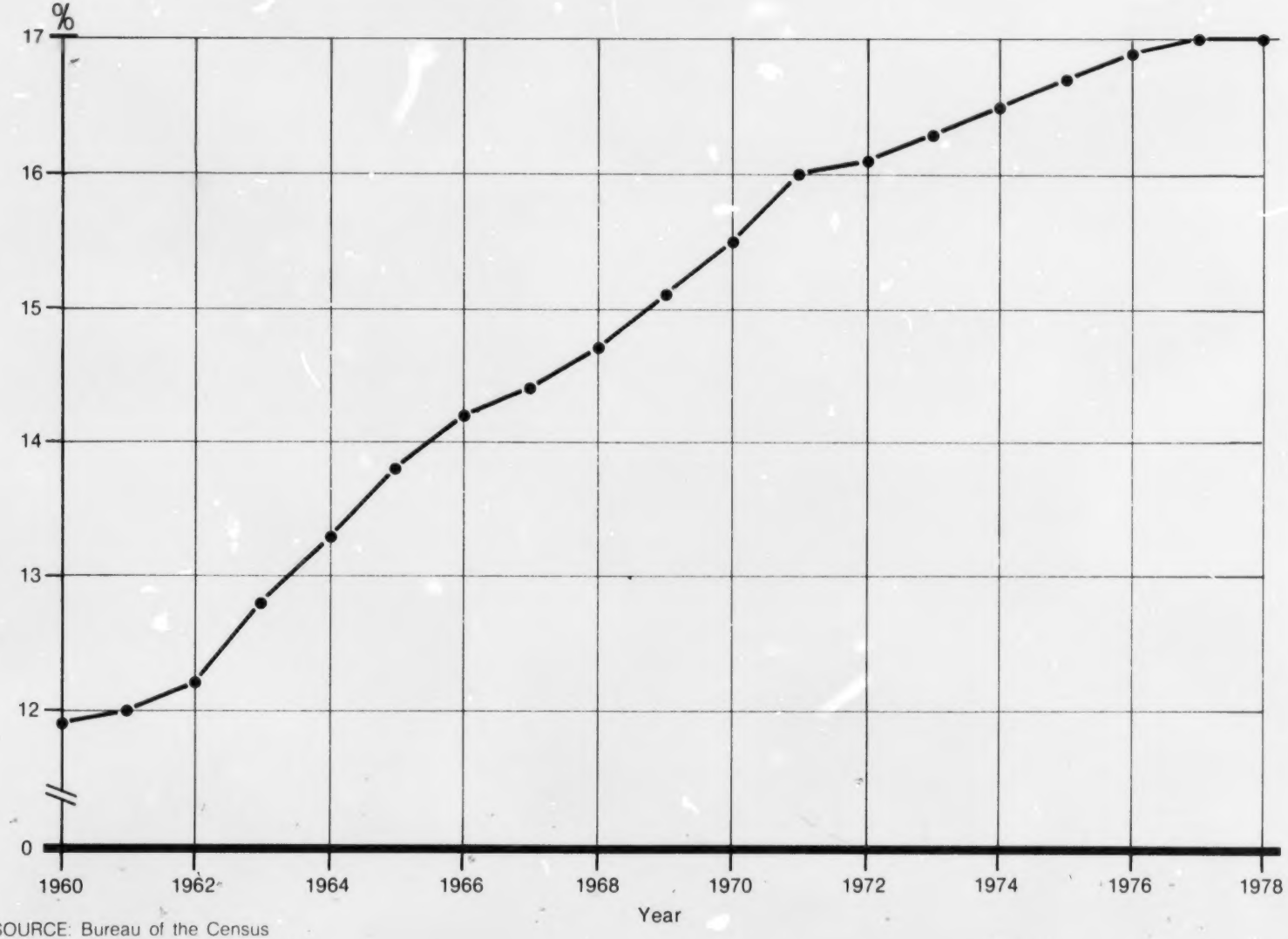
Chart 14. Trends in Unemployment byAge and Sex:

The unemployment gap between white and nonwhite teenagers has widened dramatically since the late 1950's. The nonwhite rate is highly volatile, reflecting the tenuous hold these youth have on their jobs during economic downturns.

Chart 15. Changes in Employment Probabilities:

The employment/population ratio for young nonwhite males has decreased dramatically over the past 20 years. This trend has been accompanied by a tremendous increase in the employment population ratio of young females, especially for whites.

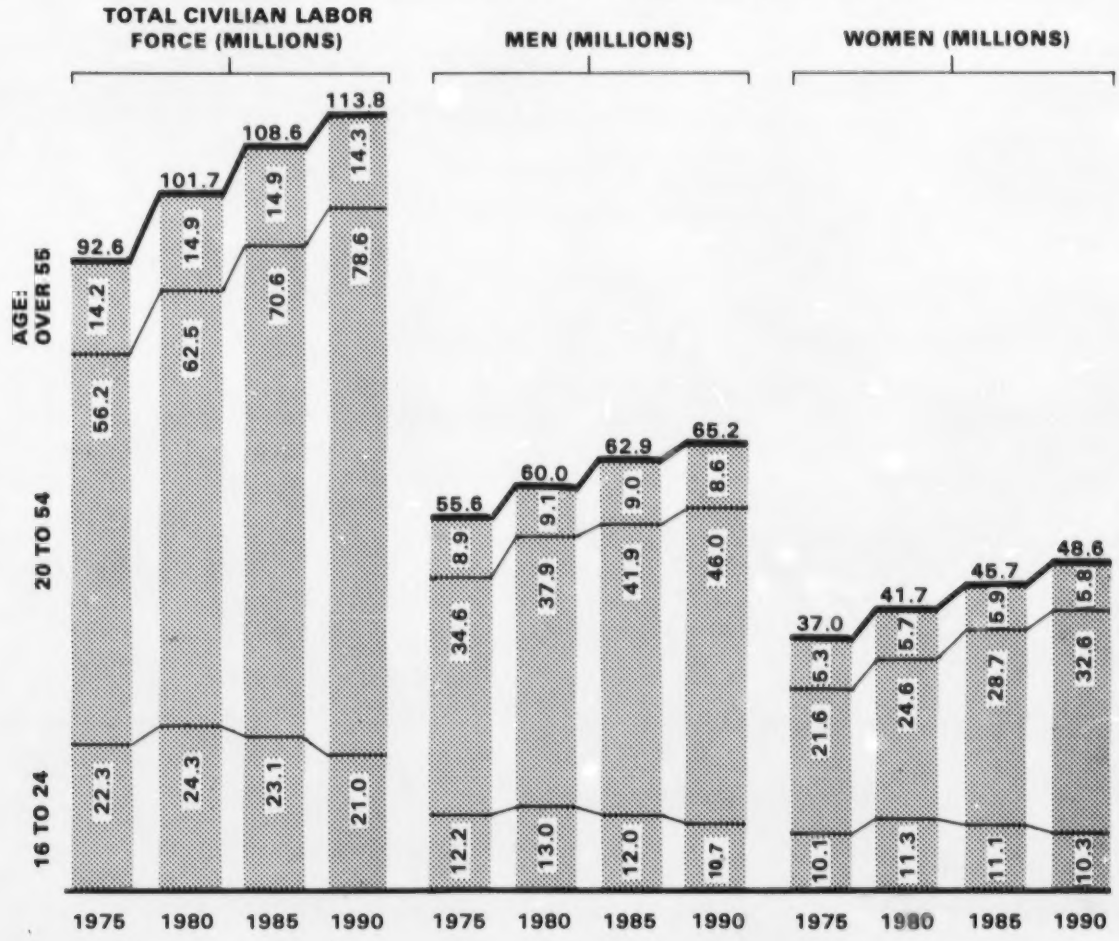
Chart #10 YOUTH POPULATION (16-24) AS A PERCENT OF TOTAL WORKING AGE POPULATION, 1960 TO 1978



SOURCE: Bureau of the Census

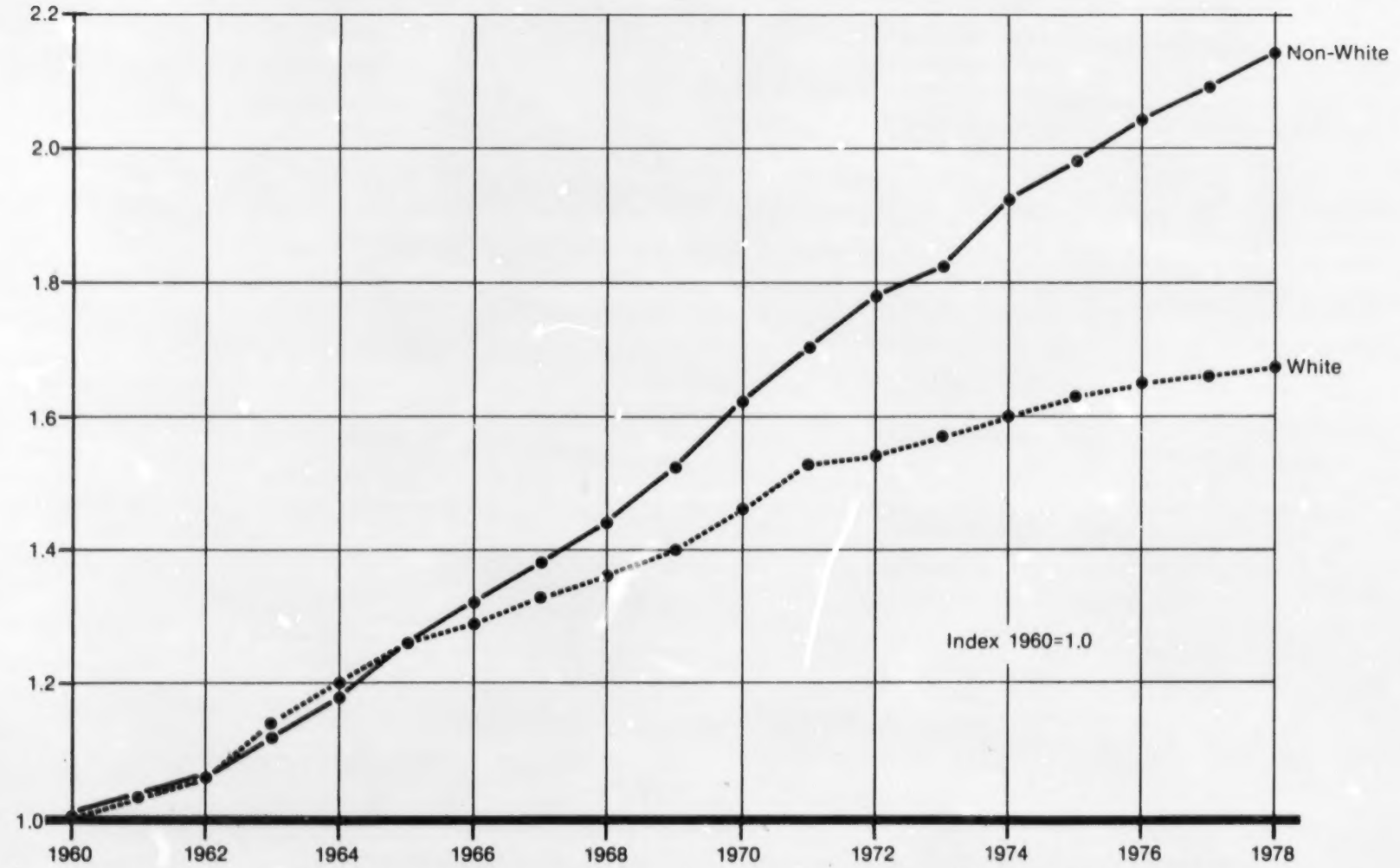
Chart #11 Projections of Labor Force Composition

1975-1990



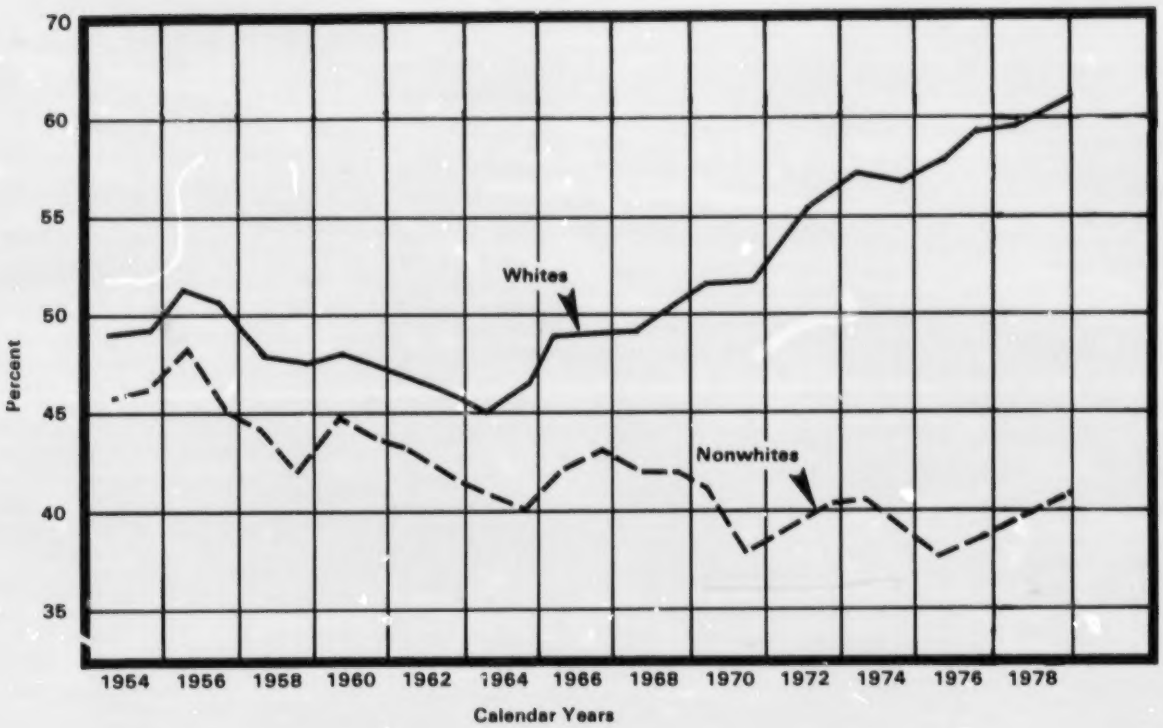
SOURCE: *"The Job Problem", by Eli Ginzberg, Scientific American,* Nov. 1977, Volume 237, Number 5, P. 50.

Chart #12 GROWTH OF YOUTH POPULATION BY RACE AGE 16-24, 1960 TO 1978



SOURCE: Bureau of the Census

Chart #13 CIVILIAN LABOR-FORCE PARTICIPATION RATES OF TEENAGERS Age 16-19, by Race, 1954 to 1978

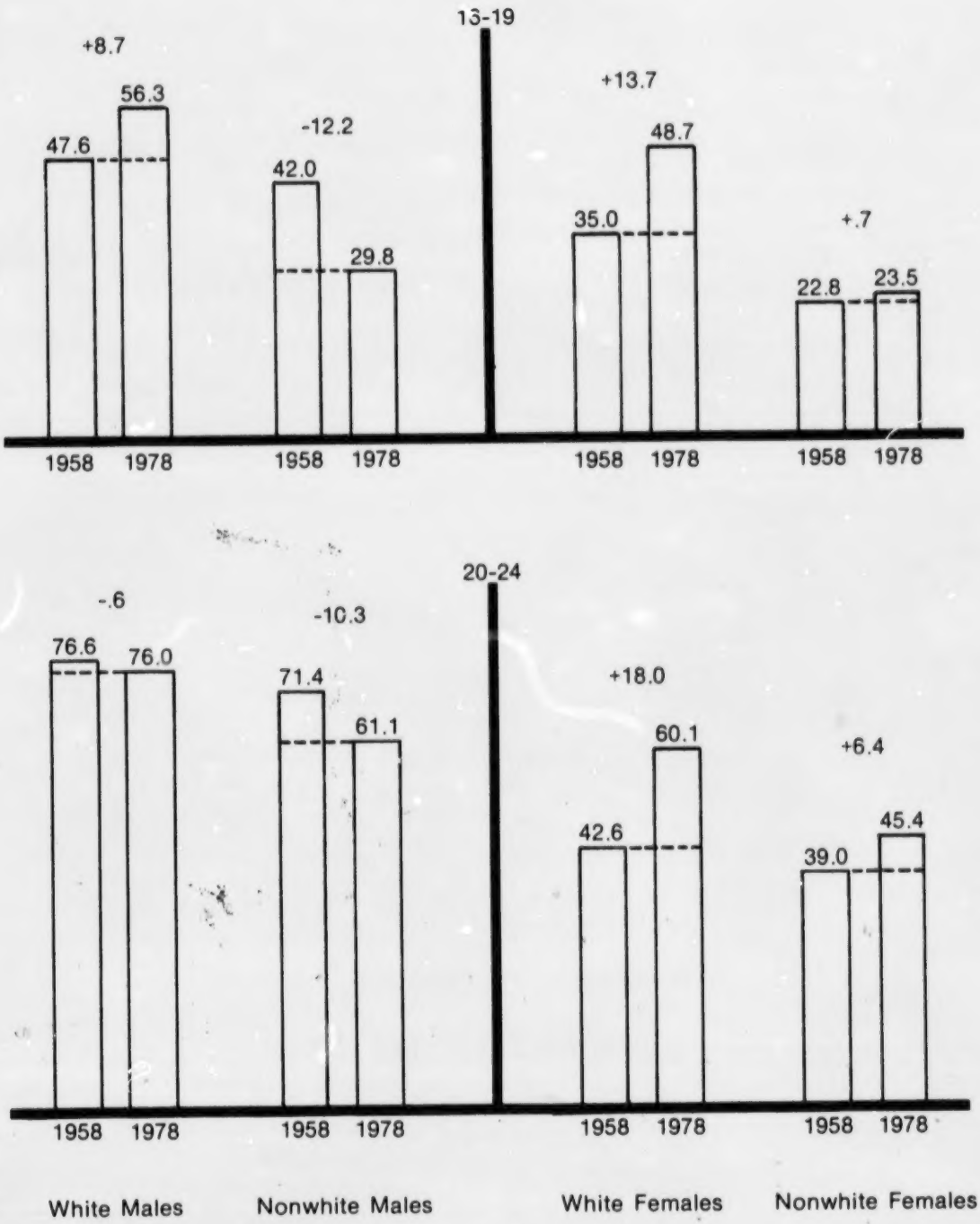


SOURCE: Bureau of Labor Statistics

Chart #14 TRENDS IN UNEMPLOYMENT BY AGE & SEX, 1956-1978

SOURCE: Department of Labor, *Employment and Training Report of the President* 1979).

Chart #15 CHANGES IN EMPLOYMENT PROBABILITIES



SOURCE: Bureau of Labor Statistics.

Chart 16. The Widening Disparity in Employment/Population Ratios:

The differentials in employment probability between white, Hispanic and nonwhite youth are disturbing, but even more critical are the widening of the differentials in the last decade.

Chart 17. Trends in High School Dropout Rates:

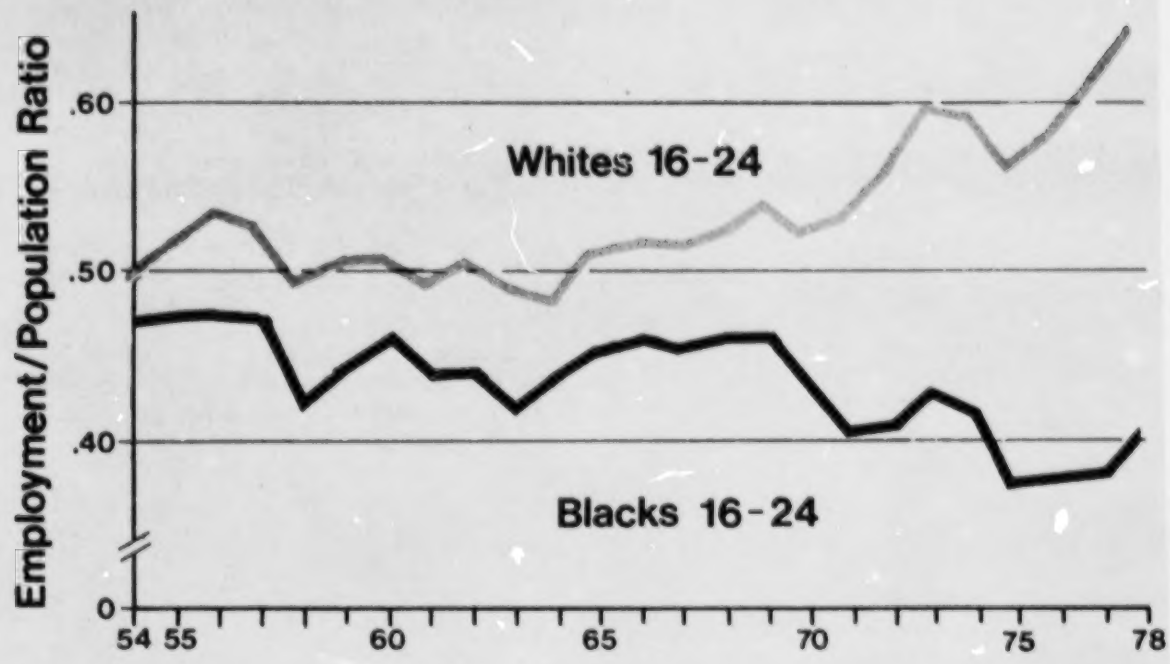
More than one out of every three Hispanic youth is a high school dropout. This has serious implications since educational attainment is related to future employment and earnings. The dropout trends are not very encouraging although there has been a modest decline for black youth.

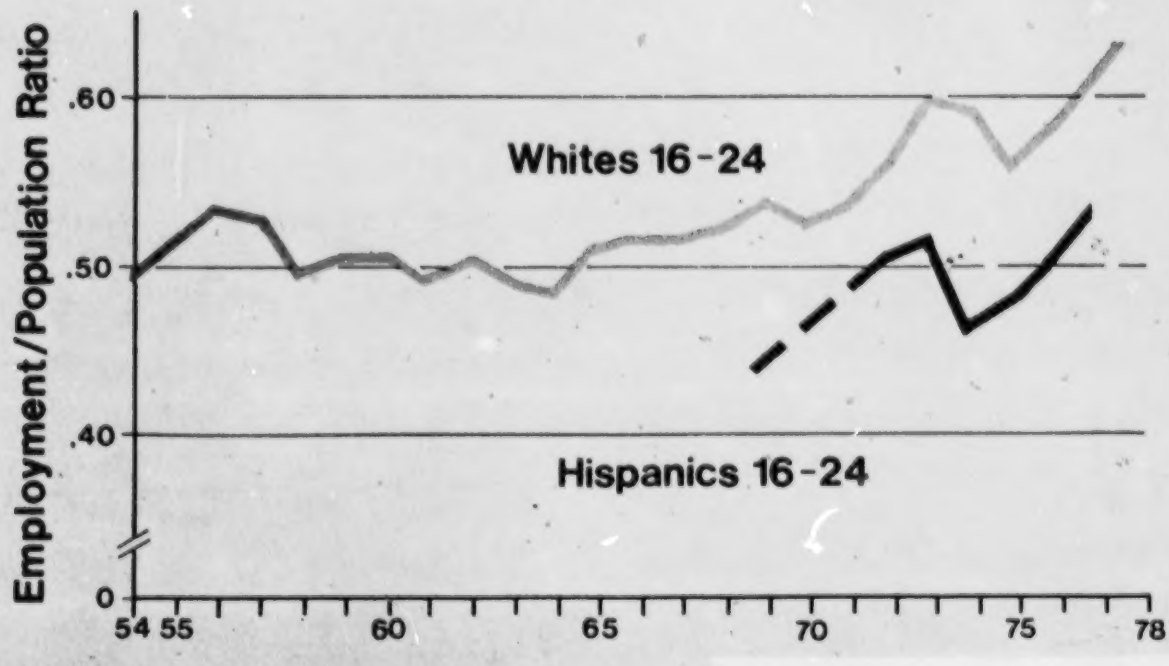
Chart 18. Trends in the Relative Educational Attainment of Blacks:

Blacks are underrepresented in higher education and overrepresented in the ranks of high school noncompleters. However, gains have been made since the 1950's, especially in higher education.

Chart #16 THE WIDENING DISPARITY IN EMPLOYMENT/ POPULATION RATIOS

1954-1978

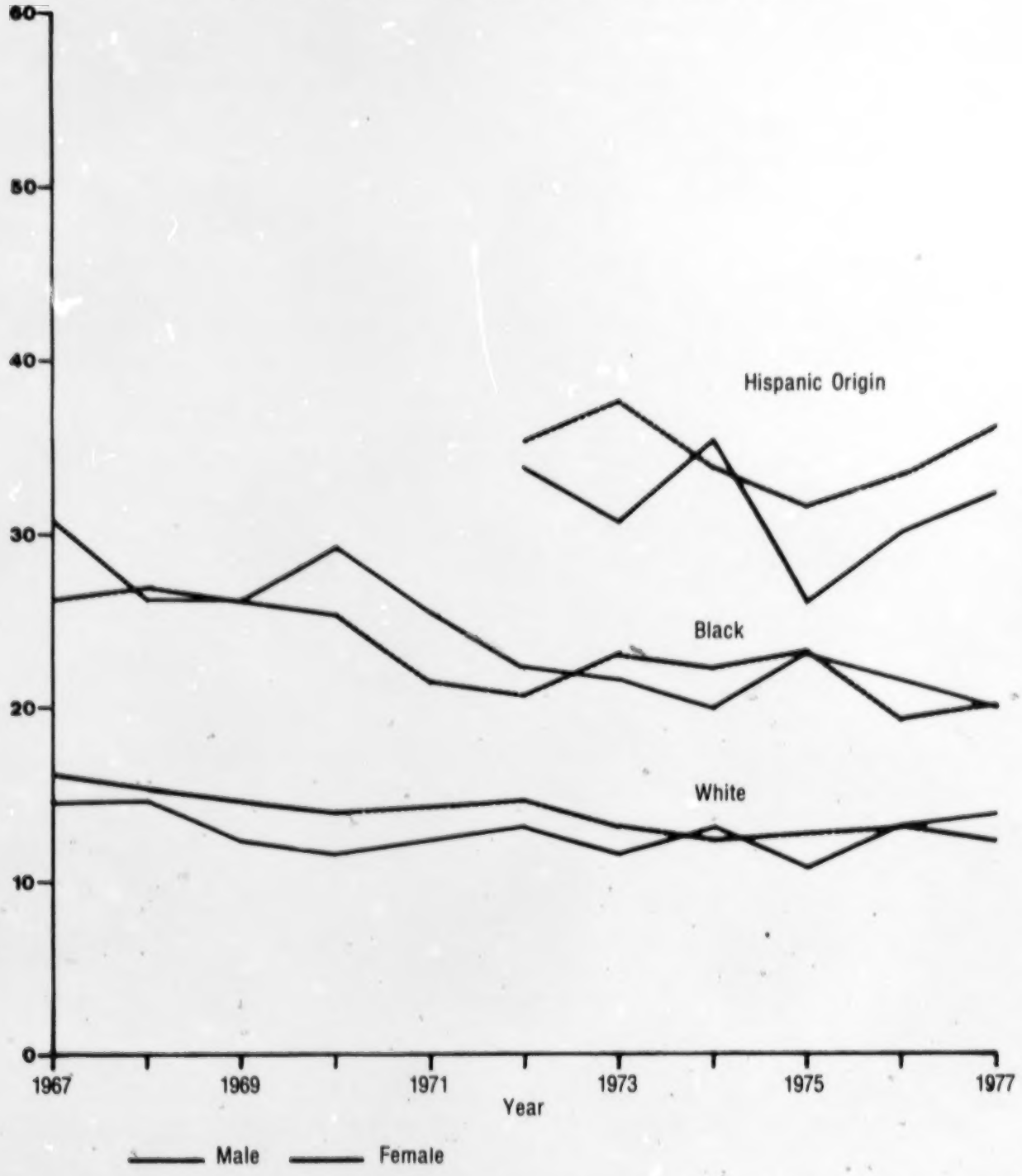




SOURCE: Bureau of Labor Statistics.

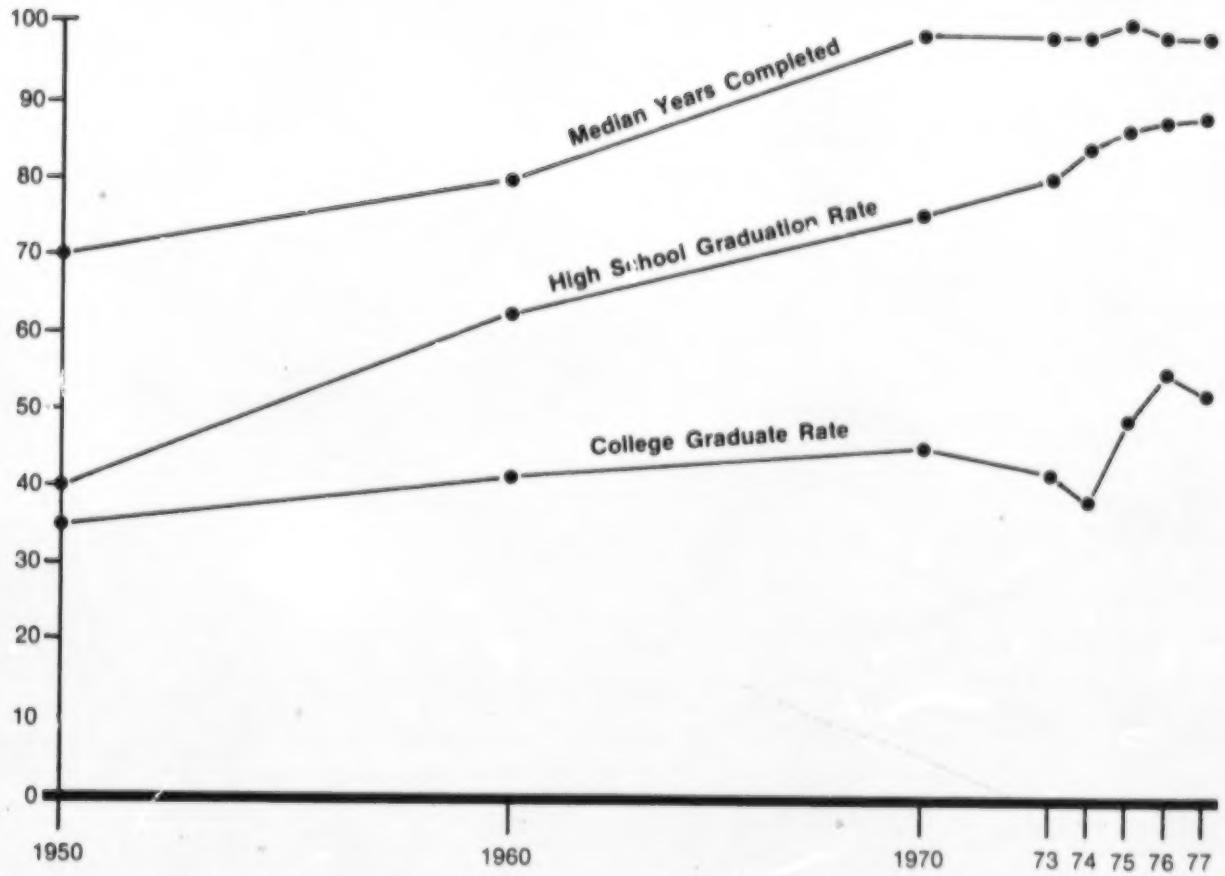
Chart #17 TRENDS IN HIGH SCHOOL DROPOUT RATES

Percent of 16- to 24-year-olds not enrolled in school and not high school graduates.



SOURCE: NATIONAL CENTER FOR EDUCATION STATISTICS, *THE CONDITION OF EDUCATION* 1979. EDITION.

Chart #18 TRENDS IN THE RELATIVE EDUCATIONAL ATTAINMENT OF BLACKS



SOURCE: M-L Group for Policy Studies in Education, *Minority Education* 1960-1978: *Grounds, Gains, and Gaps*, Volume I

III. THE CONSEQUENCES OF YOUTH EMPLOYMENT AND EDUCATION PROBLEMS

Youth employment and education problems have long-term implications for labor market success as well as immediate impacts on the well-being of youth and society.

Chart 19. More Education Reduces the Chances of Unemployment:

The diploma remains an important credential in the job market. Youth with high educational attainment levels are less likely to be unemployed than those with less education.

Chart 20. More Education Means More Income:

More educational attainment yields greater earnings for youth. For both males and females, college graduates command a salary which is about twice that of employed youth with eight grades or less of schooling.

Chart 21. Those Who Work as Youth have Greater Employment in the Future:

Recent studies have shown the positive effect that youth work experience has on future employment chances. All else being equal, both in-school and out-of-school teenagers who work suffer less unemployment subsequently and have greater labor force participation rates than their peers who do not work.

Chart 22. Youth Work Experience Increases Future Earnings:

For all groups except black males enrolled in school, employment during the teen years has a clearly positive effect on future earnings. In-school and out-of-school black females show remarkable gains from early work experience.

Chart 23. The Relationship Between Youth Crime and Joblessness:

The youth unemployment problem is more complex and far-reaching than unemployment statistics can portray. There are numerous social costs which can be associated with unemployment. The best available evidence suggests a statistically significant correlation between relative youth unemployment and youth arrests for a variety of crimes.

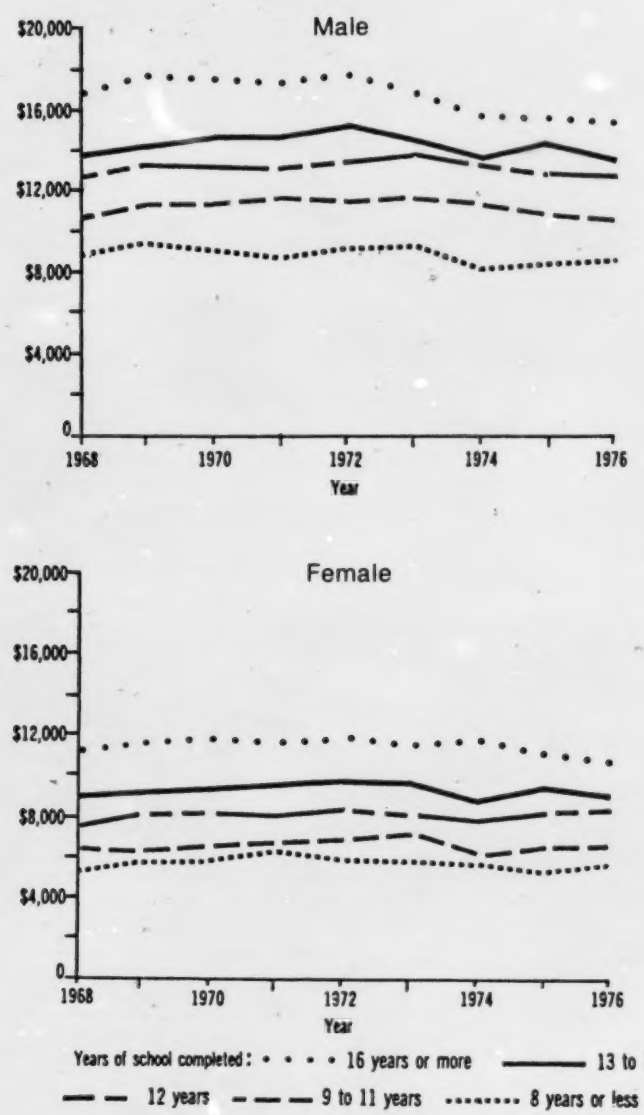
Chart #19 MORE EDUCATION REDUCES THE CHANCES OF UNEMPLOYMENT — 1978

*16-to 24-year-olds, not enrolled in school
†Regardless of race
NA Not available

SOURCE: National Center for Education Statistics, *The Condition of Education*, 1978

Chart #20 MORE EDUCATION MEANS MORE INCOME

MEDIAN ANNUAL INCOME IN CONSTANT (1976-1977) DOLLARS



SOURCE: National Center for Education Statistics, The Condition of Education, 1978

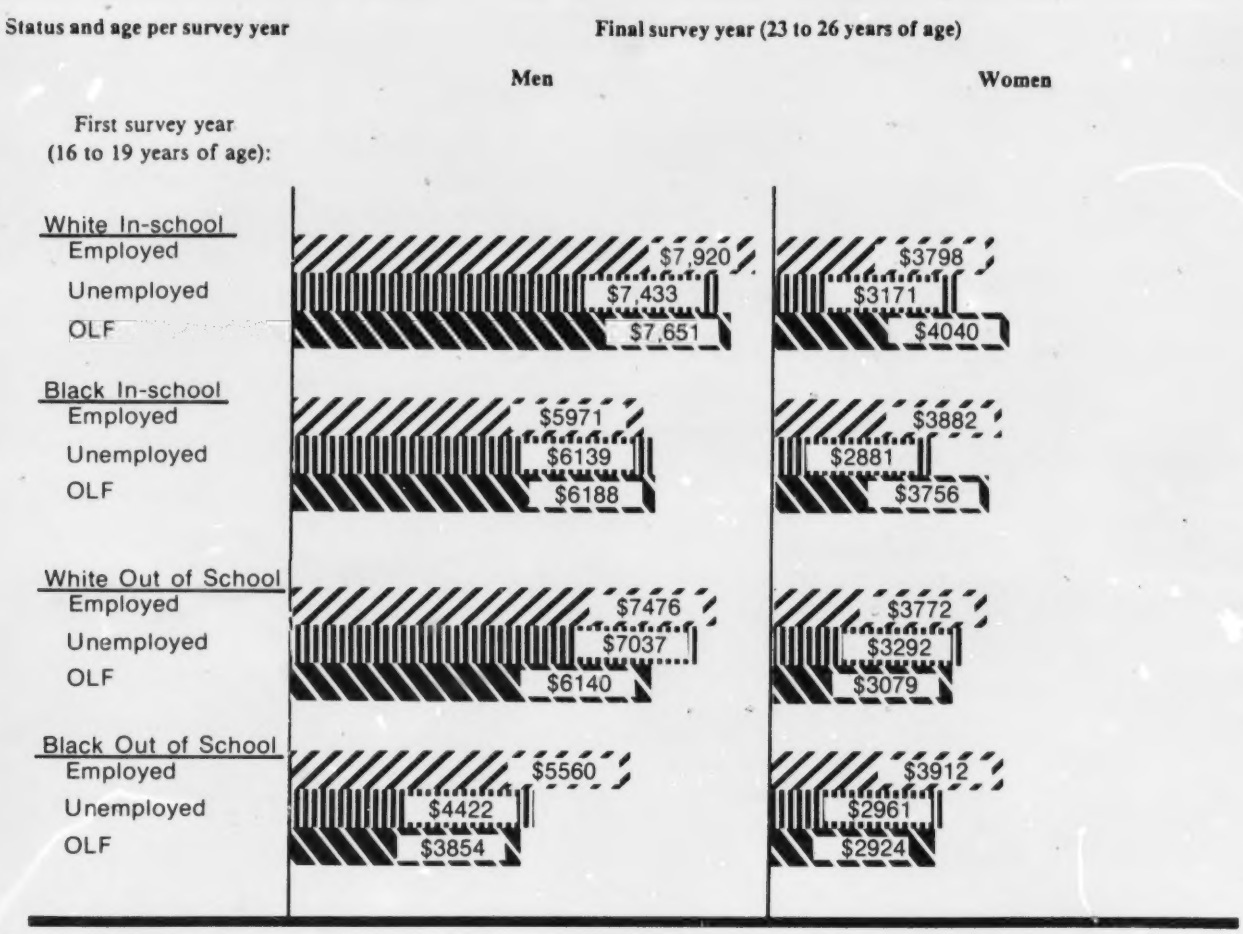
Chart #21 THOSE WHO WORK AS YOUTH HAVE GREATER EMPLOYMENT IN THE FUTURE

Labor Force Status in Final Survey Year by Earlier School Enrollment and Labor Force Status (percent distribution).

SOURCE: Wayne Stevenson, *"The Relationship Between Early Work Experience and Future Employability" in Adams & Mangum, The Lingering Crisis of Youth Unemployment*, 1978.

Chart #22 YOUTH WORK EXPERIENCE INCREASES FUTURE EARNINGS

Adjusted* Mean Earnings by Prior Labor Force and School Enrollment Status for Aging Cohorts of Young Men and Young Women Who Were Out of School in Final Survey Year

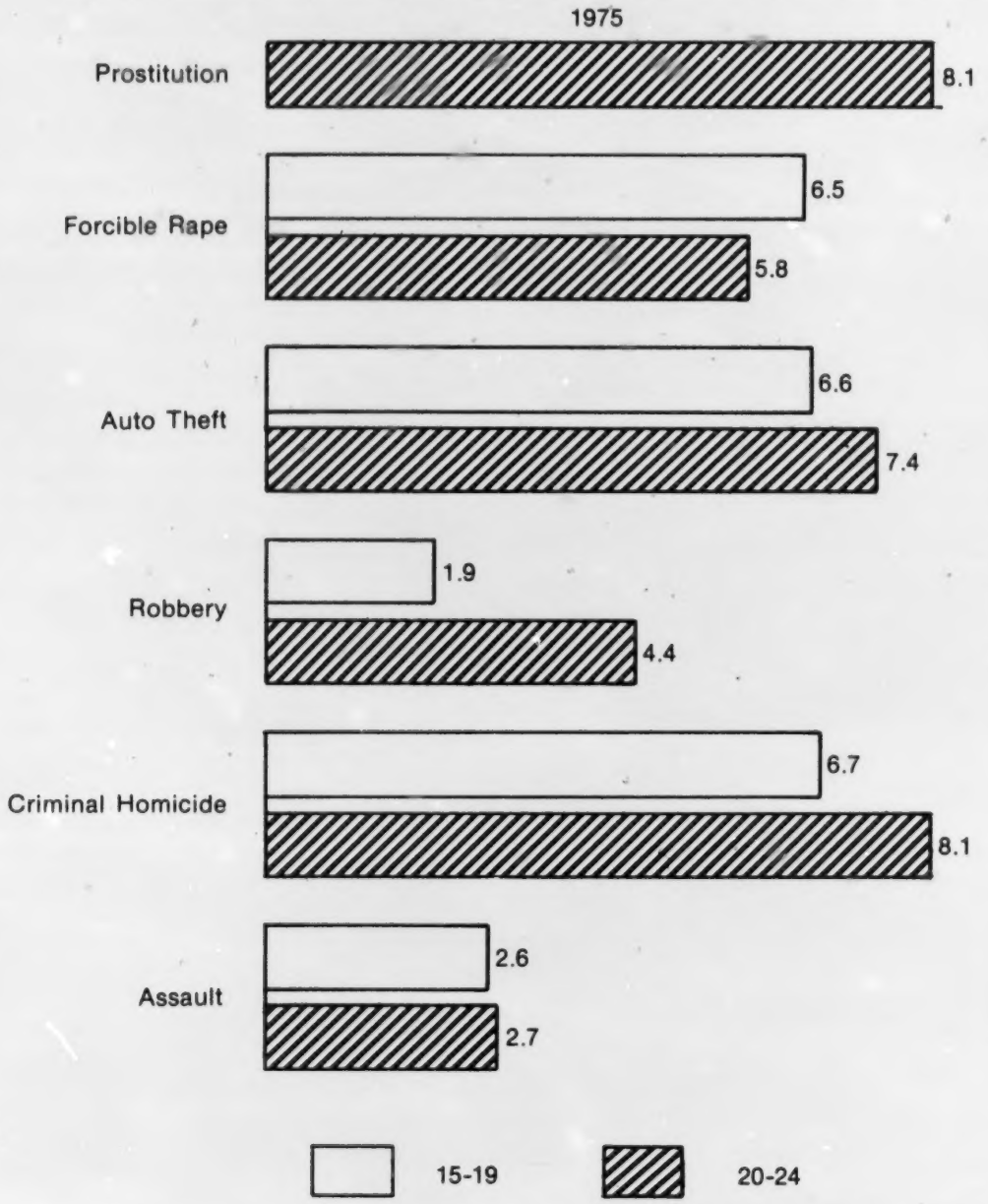


SOURCE: Wayne Stevenson, *"The Relationship Between Early Work Experience and Future Employability" in Adams & Mangum, The Lingering Crisis of Youth Unemployment*, 1978.

*Adjusted to account for differences in age, education, training, socio economic status, labor market knowledge, marital status, and (for males) living in SMSA.

Chart #23 THE RELATIONSHIP BETWEEN YOUTH CRIME AND JOBLESSNESS

Percent Rise in Arrests for one percent Rise in Youth Unemployment Rate, Assuming Total Unemployment Rate Does Not Change.



SOURCE: M. Harvey Brenner, *"Estimating the Social Costs of Youth Employment Problems", Prepared for the Vice President's Task Force on Youth Employment.*

IV. UNIVERSE OF NEED

The youth employment problem is serious in its dimensions, consequences and trends. In order to design policies and target resources, it is necessary to define and identify the numbers affected. The "universe of need" may be defined in a variety of ways; the more restrictive the definition, the more serious the problems of those who are counted.

Chart 24. Jobs Needed to Achieve Employment/Population Ratio Parity:

The differentials in employment chances can be translated into jobs needed to equalize employment/population ratios. Over 1 million jobs would have to be created for black youth just to bring them up to par with whites of the same age.

Chart 25. The Job Gap for Poor Youth:

Over one million jobs are needed for youth in poverty areas to bring them up to par with white youth in nonpoverty areas. Black and Hispanic youth need three-fourths of these jobs.

Chart 26. The High School Diploma Gap:

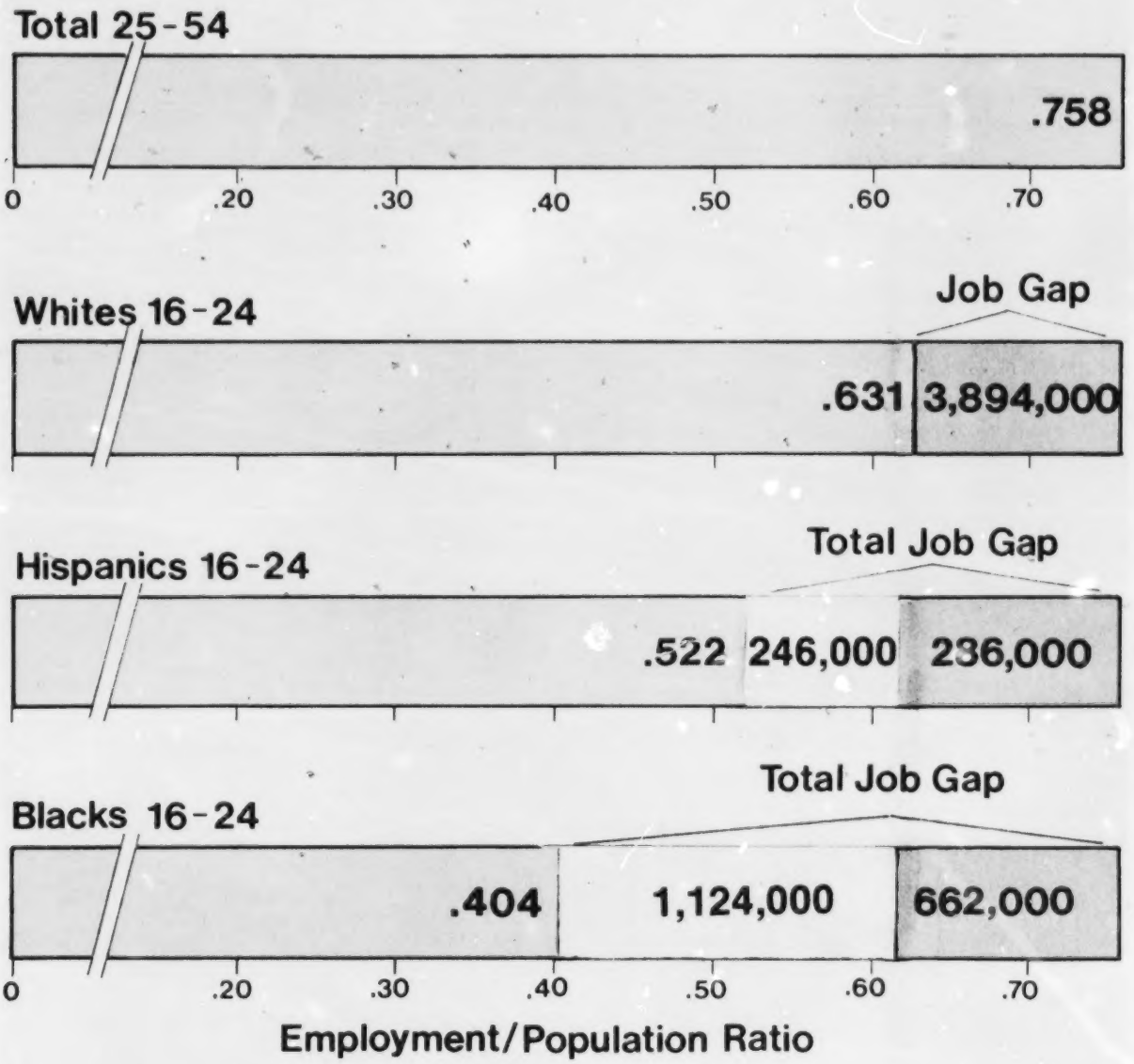
Over 2 million youth, 18-to-19-year-olds, lack high school diplomas. The problem is particularly severe for Hispanic youth.

Chart 27. Alternative Universe Estimates:

A universe of need can be defined in terms of age, educational status, socioeconomic status, race, length of unemployment and/or combinations of two or more such characteristics. The narrowest needs category would be long-term unemployed, dropout youth from poor families who are also members of minority groups.

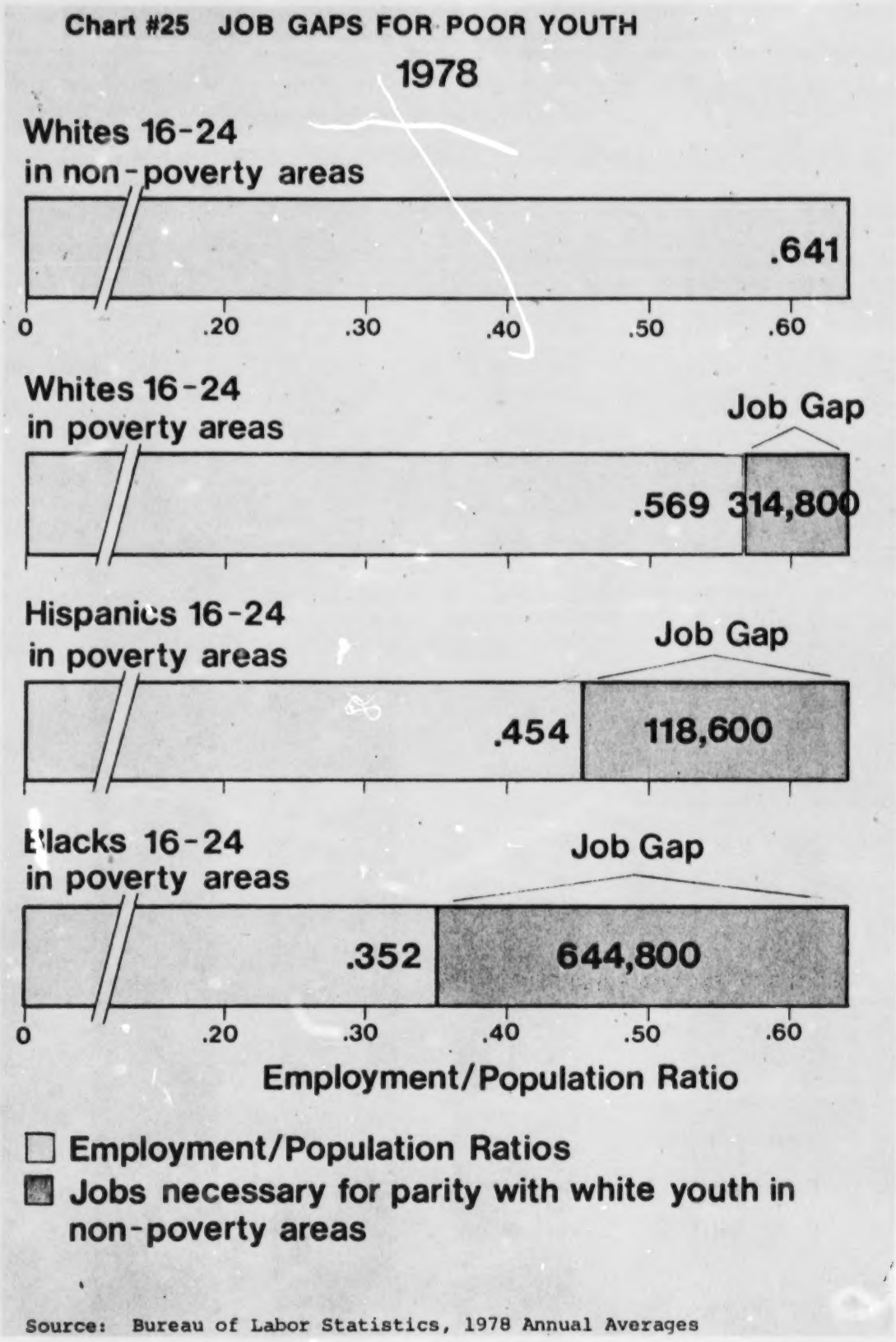
Chart #24 JOBS NEEDED TO ACHIEVE EMPLOYMENT/ POPULATION RATIO PARITY

1978



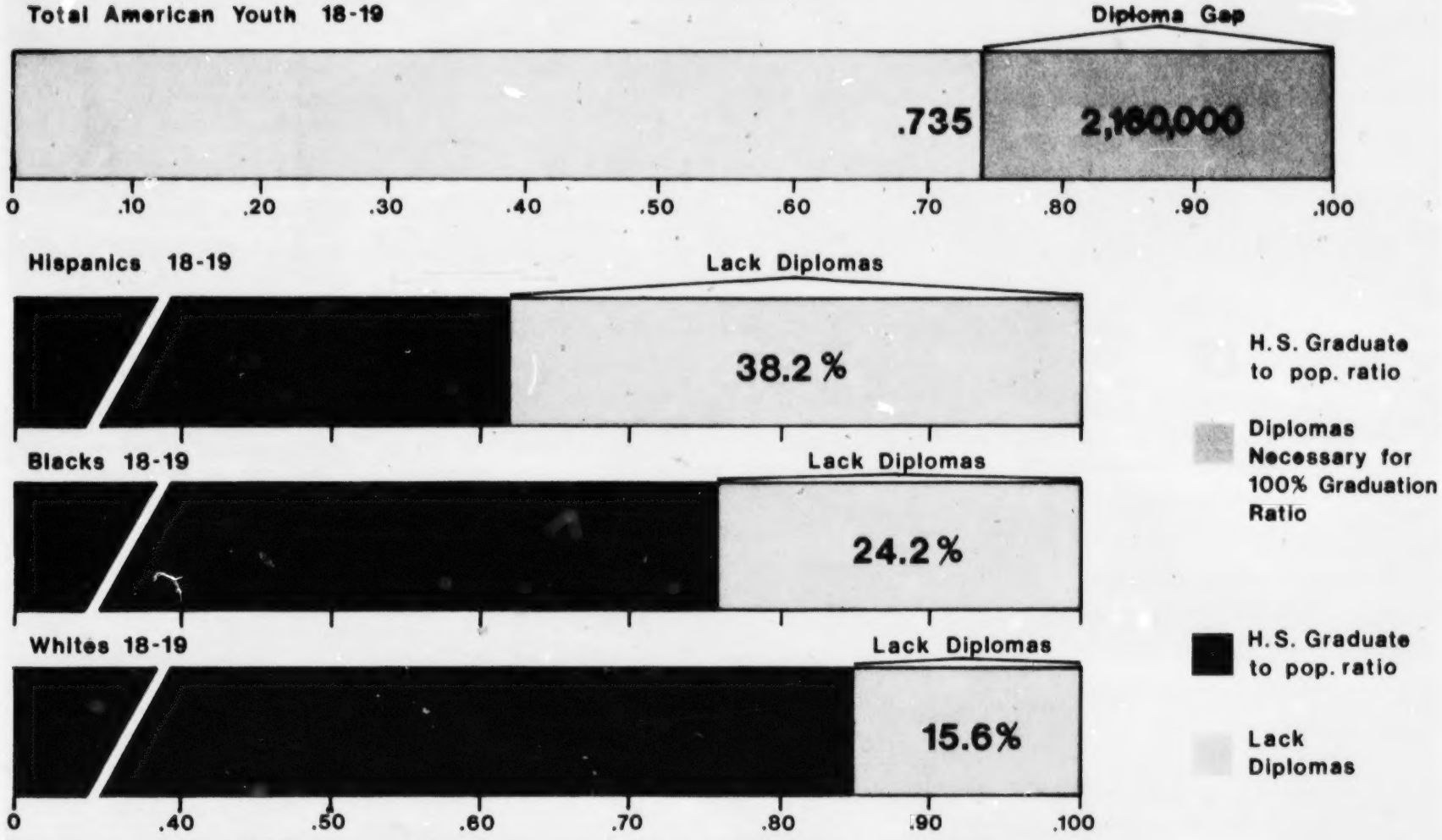
- Employment/Population Ratios
- Jobs necessary for parity with white youth
- Jobs necessary for parity with total 25-54

Source: Unpublished estimates from the Bureau of the Census, consistent with independent controls for current population surveys
"Employment and Unemployment During 1978," Bureau of Labor Statistics



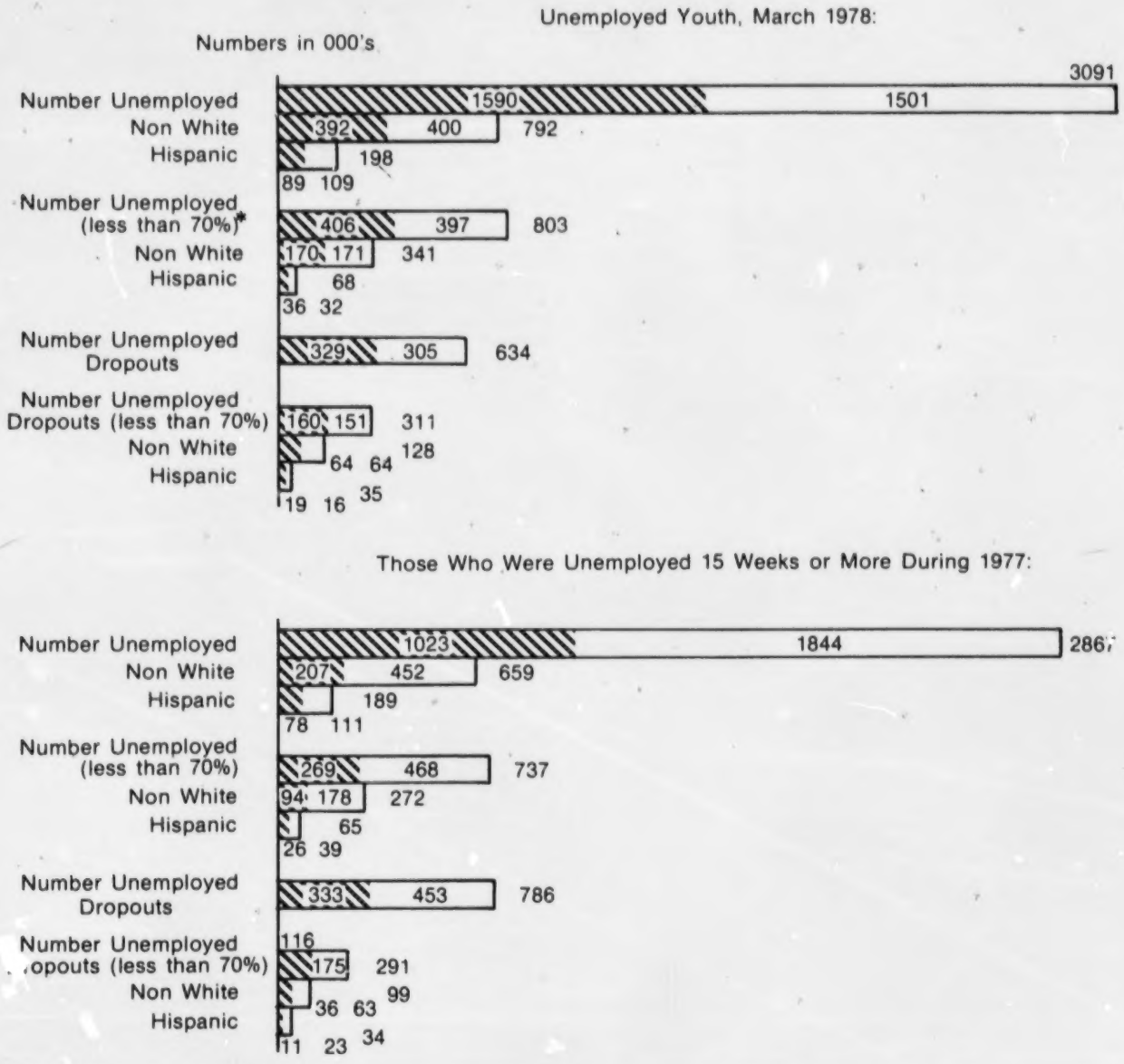
Source: Bureau of Labor Statistics, 1978 Annual Averages

Chart #26 THE HIGH SCHOOL DIPLOMA GAP



Source: Based on 1977 dropout rates for 18-19 year olds, and 18-19 year old enrollment data from 1978. *"School Enrollment—Social and Economic Characteristics of Students."* Bureau of Census.

Chart #27 ALTERNATIVE UNIVERSE ESTIMATES



SOURCE: Bureau of Labor Statistics. *Current Population Survey*, March 1978.

*Those Who Earn Less Than 70% of the BLS LLSIL

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